

CITY OF NEWPORT BEACH
HEARING OFFICER STAFF REPORT

September 30, 2011

Agenda Item 1

TO: Judge John C. Woolley, Hearing Officer

SUBJECT: StepHouse Recovery, Inc. (PA2011-117)
2927 Paper Lane

- Reasonable Accommodation No. 2011-001

APPLICANT: StepHouse Recovery, Inc.
George J. Vilagut, President
Matthew Harrison, Chief Operating Officer

PLANNER: Janet Johnson Brown, Associate Planner
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PROJECT SUMMARY

A reasonable accommodation application requesting relief from the requirements of Section 20.18.020 (Residential Zoning Districts Land Uses and Permit Requirements) of the Newport Beach Municipal Code. The applicant requests that the City allow the continued operation of an existing unlicensed residential care facility for up to six persons in recovery from alcohol and/or drug addiction and one resident supervisor. The facility is located in the R-1-6000 District, where such uses are not permitted.

RECOMMENDATION

Staff recommends the Hearing Officer conduct a public hearing, receive testimony from the applicant, the City of Newport Beach and its legal counsel, and members of the public. At the conclusion of the public hearing, staff recommends the Hearing Officer:

1. Deny the request for Reasonable Accommodation No. 2011-001 based on the findings discussed in this report; and
2. Direct staff to prepare a Resolution of Denial with Conditions for Reasonable Accommodation No. 2011-001 for adoption by the Hearing Officer.

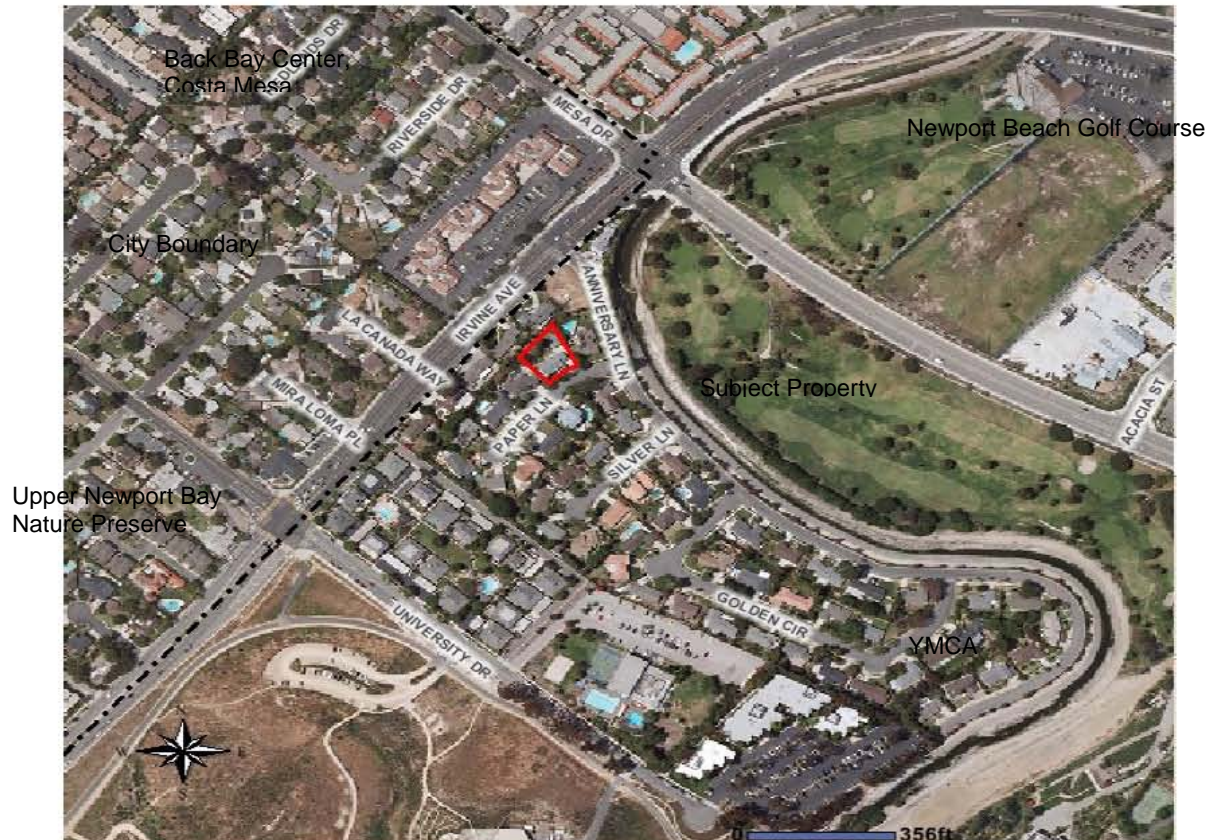
INTRODUCTION

Project Setting:

The subject property is located in the northwestern portion of the City near the intersection of Irvine Avenue and Mesa Drive, in an established residential neighborhood referred to as the Anniversary Tract. The neighborhood is comprised of owner-occupied and rental properties consisting of one and two-story single family dwellings. Other uses in the surrounding area include the Upper Newport Bay Nature Preserve at the southeast corner of Irvine Avenue and University Drive, and the YMCA directly abutting the tract to the south at 2300 University Drive. The Back Bay Center, a commercial retail center, is located at the southwest corner of Irvine Avenue and Mesa Drive in the City of Costa Mesa. To the northeast of the Anniversary Tract is the Newport Beach Golf Course.

The site is zoned R-1-6000 (Single-Unit Residential, with a minimum lot area of 6,000 square feet required per dwelling unit), and is developed with a one-story single family dwelling with a detached two-car garage. The surrounding properties in the neighborhood are also zoned R-1-6000.

AREA MAP



Description of Operations:

The property is owned by the Daniel S. Henry Sr. Living Trust, and is rented by George J. Vilagut on an annual basis. The term of the current rental agreement expires on April 30, 2012. Mr. Vilagut is the president and chief financial officer of StepHouse Recovery, Inc. (StepHouse). StepHouse operates two similar facilities in the City of Costa Mesa; one for females only and the other for males only.

StepHouse is a residential care facility which provides an extended care sober living environment for adults in recovery from alcohol and/or drug abuse. The dwelling consists of four bedrooms, and accommodates housing for up to six adult males and one resident house manager. The facility was established at this location in April 2010 without the required approvals or permits from the City.

Individual clients reside at the facility under separate written agreements with the operator, and are expected to abide by policies, rules and regulations of StepHouse (Attachment A). Under the rules and regulations, clients are expected to abstain from alcohol and drugs, and may be subject to random drug screenings, breathalyzer and/ or room searches. Clients are expected to be active in their recovery, involved in a 12-step program of their choice, and attend and participate in a weekly house meeting. Clients are also expected to maintain and clean their rooms and the dwelling, and complete assigned chores. As a condition for being a client at StepHouse, clients are expected to be gainfully employed, actively seeking work, in treatment, attending school, or engaged in other similar activities which enhance their future.

Staffing

Application documents indicate the facility has one live-in resident supervisor to provide constant supervision on a one-to-six ratio.

Client Stays

StepHouse provides an extended care and transitional sober living environment to persons in recovery from alcoholism and substance abuse after completing a substance abuse treatment program or a detoxification program¹. Typical client stays are from six-to-twelve months.

Curfew and Quiet Hours

Curfew hours for clients are 10:00 p.m. Sunday through Thursday, and 12:00 a.m. on Friday and Saturday. Quiet hours are maintained between 10:00 p.m. to 8:00 a.m., which includes television use.

¹ The substance abuse treatment or detoxification programs are provided at an off-site location in another city, not at the subject property.

Treatment

No treatment services are provided on-site. Clients attend 12-step meetings at various locations in Newport Beach and elsewhere.

Parking and Transportation

Clients are permitted to have personal vehicles while residing at the facility. The site provides a two-car garage and at least two additional parking spaces are available in front of the dwelling in the driveway. The applicant reports that while clients are allowed to have personal vehicles, no clients currently have a vehicle. Instead, client transportation needs are provided for with a company van which is parked in the driveway.

Deliveries

Residents are responsible for their own groceries and supplies. No deliveries by outside vendors or service providers are made to the facility.

Medical Waste

Medical waste is disposed in a manner compliant with NBMC Section 6.04.120. Any urinalysis devices used at the facility are kept separate from household refuse, and transported to a treatment facility in another city that receives and disposes of them.

BACKGROUND

In response to a complaint submitted in April 2011, the Code Enforcement Division confirmed through an inspection that the subject property was being used as a sober living facility for six or fewer residents. Sober living facilities with six or fewer residents are classified as "Residential Care Facilities, Limited (6 or fewer) Unlicensed" uses. Such uses are not a permitted use in the R-1-6000 Zoning District, and the facility is subject to abatement by the City. On April 28, 2011, Code Enforcement Supervisor Matt Cosylion sent a letter to the property owner and the facility operator, stating that use of the property as a sober living facility is a violation of the Newport Beach Municipal Code (NBMC). (Attachment B) In order to correct the violation, the property owner and facility operator were directed to cease using the property as a sober living facility or apply for a reasonable accommodation requesting an exemption from the NBMC within 30 days.

While researching the StepHouse website for information regarding the facility, staff discovered the following description: "The StepHouse Recovery Inc, is a licensed; insured; extended care; and transitional sober living environment" (see Attachment C). This statement is incorrect in that StepHouse is not and has never been licensed by the State of California Department of Drug and Alcohol Programs (ADP). Advertising as a

licensed facility is a violation Section 11834.30 of the California Health and Safety Code and the California Code of Regulations (CCR), Title 9, Chapter 5, Section 10505 (b).

On May 24, 2011, City staff met with the operators of StepHouse to review submittal requirements and answer questions. During this meeting, staff asked the applicant about the description provided on the website advertising StepHouse as a “licensed” facility. The applicant claimed they were unaware of this description, and that the word was mistakenly added by the person who prepared the website. Later in the day, staff received an email from the applicant, stating the information had been corrected (see Attachment D). During the meeting, the applicant also stated they were unaware of any City regulations or requirements regarding the establishment a sober living facility for six or fewer individuals in the City outside of the Balboa Peninsula and West Newport areas.

On May 27, 2011, StepHouse submitted its application package. On June 20, 2011, City staff sent a letter to StepHouse requesting additional information in order to complete the analysis of the request for reasonable accommodation. Please see Attachment E for a copy of the original submittal package and all subsequent communication and information to and from the applicant.

On July 7, 2011, City staff again met with the applicant, who submitted copies of the rental agreement between StepHouse and the property owner of 2927 Paper Lane, as well as redacted copies of the rental agreements between StepHouse and its clients (see Attachments F and G). The five rental agreements are for six-month or one-year terms which will expire or have expired on May 15, 2011, June 4, 2012, September 7, 2011, April 1, 2012, and June 4, 2012. On August 31, 2011, the applicant informed the City that the individual whose rental agreement expired on May 31, 2011, has since accepted employment as a “houseparent” with StepHouse. The client whose rental agreement expired on September 7, 2011, renewed his agreement with StepHouse on a month-to-month basis.

The City also issued a notice of Conditional Abatement to StepHouse on July 13, 2011 (Attachment H). The July 13, 2011, notice informed StepHouse that the City will refrain from instituting abatement proceedings until the expiration of the lease between StepHouse and the property owner of 2927 Paper Lane (April 30, 2012), which would allow StepHouse to fulfill its obligations to its existing clients. The conditional abatement would apply only if the reasonable accommodation is denied. If the requested accommodation is denied, the Hearing Officer may adjust the abatement date to allow the current StepHouse residents to complete their intended length of stay in the facility.

DISCUSSION

The federal Fair Housing Amendments Act (FHAA), adopted in 1988, prohibits housing discrimination based on a resident’s disability. Under the FHAA, it is discriminatory for

government entities to refuse to make reasonable accommodations from rules, policies, and practices when such accommodations may be necessary to afford a person with a disability an equal opportunity to use and enjoy a dwelling (42 U.S.C. § 3604(f)(3)(B)).

The Ninth Circuit has repeatedly emphasized this requirement, stating that under the FHAA, “*unlawful discrimination includes refusal to make reasonable accommodations in rules, policies, practices or services, when such accommodations may be necessary to afford a handicapped person equal opportunity to use and enjoy a dwelling. We have repeatedly interpreted this language as imposing an affirmative duty on landlords and public agencies to reasonably accommodate the needs of disabled individuals.*” *McGary v. City of Portland* (9th Cir. 2004) 386 F.3d 1259, 1261 (italics added).

Cases interpreting the FHAA have held that a government agency’s affirmative duty to grant a requested accommodation arises when the following three conditions are met: (1) the request is made by or on behalf of a disabled individual or individuals, (2) the accommodation is necessary to afford the disabled applicant an equal opportunity to use and enjoy a dwelling, and (3) the request is reasonable. *McKivitz v. Township of Stowe* (W.D.PA 2010) 769 F.Supp.2d 803, 824.

Analysis

The applicant requests an exemption from the requirements of NBMC Section 20.18.020. This section of the NBMC contains Table 2-1, which indicates the uses allowed in each residential zoning district and the permit required to establish the use, if any, and also indicates prohibited land uses. StepHouse is an unlicensed residential care facility which provides a sober living environment for up to six individuals in recovery from alcohol and/or drug addiction, and includes an on-site resident supervisor. This land use is defined as a “Residential Care Facilities, Limited (6 or fewer) Unlicensed²” use.

Pursuant to Table 2-1 of NBMC Section 20.18.020, “Residential Care Facilities, Limited (6 or fewer) Unlicensed” are permitted in the RM and RMD (Multiple Residential, and Multiple Residential Detached) Zoning Districts only, subject to approval of a conditional use permit issued by a Hearing Officer. The StepHouse facility is located in an R-1-6000 Zoning District, where such uses are prohibited. Essentially, the applicant has requested an exception from the requirements that “Residential Care Facilities, Limited (6 or fewer) Unlicensed” may be located only in the RM and RMD Zoning Districts with approval of a conditional use permit, and the requirement that such uses are prohibited in the R-1-6000 Zoning District.

² “Residential Care Facilities, Limited Unlicensed (6 or fewer persons)” is defined as: A place, site or building, or groups of places, sites or buildings, which is not licensed by the State of California and is not required by law to be licensed by the State, in which 6 or fewer individuals with a disability reside who are not living together as a single housekeeping unit and in which every person residing in the facility (excluding persons employed as facility staff) is an individual with a disability. Does not include “Group Residential.”

Ordinance No. 2008-5, adopted by City Council in January 2008 (see Appendix A for a brief description of the ordinance), codified the procedures for requesting, reviewing and granting, conditionally granting, or denying all requests for reasonable accommodation in the City of Newport Beach. The Hearing Officer is designated to approve, conditionally approve, or deny all applications for reasonable accommodation. The ordinance also establishes the required findings that must be made to grant approval, and factors the Hearing Officer may consider when making those findings.

Pursuant to Section 20.52.070 (D.2) of the NBMC, the written decision to approve, conditionally approve, or deny a request for reasonable accommodation shall be based on the following findings, all of which are required for approval. This section of the NBMC also provides that in making these findings, the review authority may approve alternative reasonable accommodations that provide an equivalent level of benefit to the applicant.

Findings Related to Necessity of Accommodation (Findings No. 1 and 2):

1. ***Required Finding: That the requested accommodation is requested by or on the behalf of one or more individuals with a disability protected under the Fair Housing Laws.***

This finding can be made. The applicant submitted a statement signed under penalty of perjury that every resident of the facility is in recovery from alcohol and/or drug addiction. Federal regulations and case law have defined recovery from alcoholism and drug addiction as a disability because it is a physical or mental condition that substantially impairs one or more major daily life activities. *U.S. v. Southern Management* (4th Cir. 1992) 955 F.2d 914.

2. ***Required Finding: That the requested accommodation is necessary to provide one or more individuals with a disability an equal opportunity to use and enjoy a dwelling.***

This finding can be made. Consistent with court decisions, the City requires applicants for reasonable accommodation to demonstrate the necessity of the accommodation request by showing disabled residents will receive a therapeutic benefit that directly ameliorates an effect of their handicap at the requested population levels and/or location (also referred to as “affirmatively enhancing the quality of life” of a disabled individual or individuals). It is the applicant’s burden to demonstrate that the requested accommodation is necessary. “The ‘necessary’ element requires the demonstration of a direct linkage between the proposed accommodation and the ‘equal opportunity’ to be provided to the handicapped person.” *Lapid-Laurel, LLC v. Zoning Bd. of Adjustment of the Township of Scotch Plains* (3rd Cir. 2002) 284 F.3d 442, 460

A. Applicant's Statements in Favor of a Finding of Necessity

The exemption requested by StepHouse is tailored to allow facility residents to enjoy the housing type of their choice in a single-family residential district. The applicant requests to continue to provide housing for up to six disabled individuals and one staff member in a four-bedroom dwelling. In its application package, the applicant states:

"As individuals in recovery from alcoholism and substance abuse, through mutual support, present and future residents of StepHouse Recovery seek to live in a family type environment which would provide them with compassionate and therapeutic support during their recovery program. They are hopeful individuals learning abstinence from the temptations of alcohol and drugs. The residents are individuals who cannot live solely without the fear or threat of relapse into active alcoholism and substance abuse. The requested accommodation is necessary to provide an opportunity for the disabled residents of StepHouse Recovery Inc. to live in an environment which provides the individual a chance for recovery and gives them sufficient time for personal psychological progress while avoiding alcohol and other substances. Without the recovery atmosphere, the individual residents of StepHouse Recovery would not be able to live in a therapeutic environment that would be in a residential area, let alone a single-family, residential area....."

".....The requested accommodation is necessary to achieve an opportunity for the disabled residents of StepHouse Recovery to live in a setting which is self-paced recovery option and gives them sufficient time for personal and psychological growth while avoiding the use of alcohol and other substances. This is a non-institutional residential environment which the residents willingly subject themselves to written rules and conditions, including the prohibition of alcohol and drug use, intended to encourage and sustain their recovery....."

And:

".....StepHouse Recovery pledges not overcrowd the dwelling or interfere with the neighborhood as our residents re-integrate into society. The small size of the dwelling couple *[sic]* with a cul-de-sac environment enhances the therapeutic benefit and value of the residents of the dwelling. There is no known licensed or unlicensed residential care facilities in the area that we have observed with a small population located at a similarly significant distance from all other residential care facilities. StepHouse Recovery's request for only six resident clients plus on *[sic]* supervisory staff in a four bedroom dwelling further reduces the likelihood that the neighborhood institutionalization or facility overcrowding will interfere with its residents' re-integration and recovery. StepHouse Recovery pledges to provide well-kept housing and reliable services (rent and bills paid) with moderately upscale features in the dwelling. A resident manager resides on-site to ensure that the resident clients comply with the house rules."

B. Staff's Analysis of Whether Applicant's Statements Demonstrate Necessity

The statements provided by StepHouse are consistent with court opinions that found living in a single-family residential neighborhood with other persons in recovery from alcohol and drugs directly ameliorated an effect caused by the recovering alcoholic or addict's particular disability.

In *Oxford House v. Town of Babylon* (E.D.N.Y. 1993) 819 F.Supp. 1179, the court stated:

Plaintiffs have demonstrated that as recovering alcoholics and drug addicts, they must live in a residential neighborhood because [the sober living home] "seeks to provide a stable, affordable, and drug-free living situation so as to increase the likelihood that a person will stay sober." . . . In *Township of Cherry Hill*, the court held that the location of the houses in a drug-free, single family neighborhood played a crucial role in an individual's recovery by "promoting self-esteem, helping to create an incentive not to relapse, and avoiding the temptations that the presence of drug trafficking can create." . . . "This Court finds that reasoning persuasive." 819 F.Supp. at 1185. citing *Oxford House, Inc. v. Township of Cherry Hill* (D.N.J. 1992) 799 F.Supp. 450. (citations omitted)

In *Oxford House v. City of Edmonds* (9th Cir. 1994) 18 F.3d 802, the court considered whether a zoning ordinance that prohibited more than five unrelated recovering alcohol and drug addicts from living in single-family residential zones, while permitting such uses without restriction in multi-family and commercial zones, was exempt from the occupancy restriction exemption of the FHAA, and found that it was not. In the course of the decision, the Court of Appeals appeared to note with favor that the home "stands in a residential neighborhood away from commercial zones, liquor stores, and illicit drug activity to minimize the likelihood of a relapse by a resident." 18 F.3d at 803, 807.

Courts have also emphasized the therapeutic benefit of living in a single-family residential neighborhood to other categories of disabled individuals, and the necessity of granting groups of disabled individuals the ability to reside in single-family residential neighborhoods. Examples include:

- *Smith & Lee Associates, Inc. v. City of Taylor, Mich.* (6th Cir. 1996) 102 F.3d 781: "As we noted in the first appeal, elderly disabled citizens have a right to live in Taylor's single-family neighborhoods. . . [T]o avail themselves of this right, Taylor's elderly disabled need an accommodation" 102 F.3d at 795.
- *Lapid-Laurel, LLC v. Zoning Bd. Of Adjustment of the Township of Scotch Plains* (3rd Cir. 2002) 284 F.3d 442: The court expressly noted its agreement with the *Smith & Lee Associates* court's statement that the elderly disabled had a right to live in single-family residential zones. "The 'equal opportunity' that Lapid seeks to provide

here is the opportunity for handicapped persons to live in a single-family residential neighborhood. . . . With respect to the use variance, it is clear that Lapid demonstrated that a use variance was necessary to achieve an equal opportunity for the elderly handicapped to live in a residential area of Scotch Plains.” 284 F.3d at 460.

Staff does not question the need for residential care facilities, nor the fact that persons with a disability must have the opportunity to use and enjoy a dwelling. The facility currently provides housing to residents who could be denied housing if abatement proceeds while they are still in residence at the facility. Granting an accommodation to allow all current residents to complete their intended stay is necessary to allow these residents an equal opportunity to use and enjoy their current dwelling.

Staff has also analyzed whether granting a reasonable accommodation to allow this facility to remain in its current location is necessary to allow potential future disabled residents to use enjoy the housing type of their choice. (Please see the analysis provided in “Factors for consideration – necessity” below.) Without the accommodation, potential future residents seeking to integrate into a sober lifestyle by living in a small sober living environment in a single-family neighborhood and surrounded entirely by single housekeeping units would be deprived of an opportunity to live in this type of dwelling situation. There are no sober living facilities currently authorized by the City providing housing for not more than six persons in a neighborhood designated for single-family detached dwellings

Staff is aware of several other facilities in the City which provide a sober living environment for 6 or fewer persons in duplex structures located in the R-2 Zoning District, and many other facilities that provide housing for up to 12 individuals in duplex structures in R-2 Zoning Districts. However, the applicant has submitted information that indicates prospective residents of the facility would receive a specific therapeutic benefit from a facility for six or fewer persons in a single family dwelling in an R-1 Zoning District, versus a facility for six or fewer persons in a single unit of a duplex in an R-2 Zoning District. Specifically, StepHouse stated in its application that “[t]he small size of the dwelling, coupled with a cul-de-sac environment enhances the therapeutic benefit and value of the residents of the dwelling.”

If there were other sober living facilities in single-family residential zones authorized by the City at the time of this hearing (see Attachment I for table of all “City-Authorized Recovery Facilities” as of May 2011), staff might find that the number of sober living beds available in other previously authorized facilities provide ample alternatives to offer potential StepHouse residents with an opportunity to enter the housing type of their choice. The recent termination of the City’s development agreement with another sober living facility operator, however, has eliminated authorization of one facility in an R-1 Zoning District, and another facility located in a single-unit attached dwelling within a Planned Community (PC) Zoning District.

Factors of consideration - necessity:

NBMC Section 20.52.079 (D.3) provides that the Hearing officer may consider, but is not limited to, the following factors in determining whether the requested accommodation is the minimum necessary to provide the disabled individual an equal opportunity to use and enjoy a dwelling:

Necessity Factor A. Whether the requested accommodation will affirmatively enhance the quality of life of one or more individuals with a disability.

If the accommodation is granted, the applicant's current and potential future clients would be able to live in a single-family dwelling in an R-1-6000 Zoning District with other individuals in recovery from addiction. This is a situation that could affirmatively enhance the quality of life of a person in recovery from addiction, unless overcrowding of the facility or institutionalization of the neighborhood interferes with the residents' reintegration into society.

In this case, the dwelling is surrounded on all sides by single housekeeping units within single-family dwellings. This facility appears to be the only residential care facility of any description on this street or any adjacent streets in the Anniversary Tract. The nearest City-authorized or properly³ licensed residential care facility in the City is located in a duplex building at 492 and 492 ½ Orange Avenue, approximately 4 miles away. However, that facility is located in an R-2 Zoning District, and is approved to provide housing for up to 12 persons in each dwelling unit. Staff is aware of just one other authorized residential care facility located in a neighborhood designated for single-family detached dwellings. That facility is located approximately 6.25 miles away at 49 Montecito Drive in Corona del Mar, and is licensed by ADP to provide 24-hour residential nonmedical alcohol and/or drug recovery, treatment, and detoxification services for six or fewer adult women.

Necessity Factor B. Whether the individual(s) with a disability will be denied an equal opportunity to enjoy the housing type of their choice absent the accommodation.

If the requested accommodation were denied, abatement proceedings could commence against the facility upon the expiration of the rental agreement on April 30, 2012, pursuant to the notice of Conditional Abatement issued to StepHouse on July 13, 2011. The Hearing Officer may adjust the abatement

³ The ADP website lists Yellowstone Women's First Step House, Inc. as the holder of licenses for residential alcohol and drug recovery treatment facilities at 1621 Indus Street (Yellowstone "South House") and 20172 Redlands (Yellowstone "Newport House"). These facilities are located approximately 1 mile away in the Santa Ana Heights Specific Plan District #7, and designated for Residential Single Family (RSF) uses. However, these licenses were issued by ADP in error based on improperly submitted fire clearance granted and subsequently rescinded by the Orange County Fire Authority. Repeal of the licenses issued to Yellowstone by ADP is pending.

date to allow the current StepHouse residents to complete their intended length of stay in the facility. Any potential future clients of this facility could be denied the opportunity to live in a single-family dwelling with a population of six or fewer individuals in recovery from addiction in a single family residential neighborhood.

As stated above, staff is aware of just one other residential care facility located in a neighborhood designated for single-family detached dwellings. This facility is licensed by ADP to provide 24-hour residential nonmedical alcohol and/or drug recovery, treatment, and detoxification services for six or fewer women, and therefore is not appropriate for the male population of this StepHouse facility. However, staff is aware of several other facilities in the City which provide a sober living self-paced environment for six or fewer persons in a single unit of a duplex structure located in the R-2 Zoning District.

Necessity Factor C. In the case of a residential care facility, whether the requested accommodation is necessary to make the facility, or facilities of a similar nature or operation economically viable in light of the relevant market and market participants.

The applicant does not state why an exemption from the Residential Zoning District Land Uses and Permit Requirements is necessary to make its facility economically viable in light of the relevant market and market participants. The applicant does state that the facility provides well-kept housing with reliable services (rent and bills paid) with moderately upscale features, and that the dwelling will operate in a manner that is consistent and compatible with adjoining and surrounding properties. A resident manager resides on-site to ensure that resident clients comply with the house rules.

Necessity Factor D. In the case of a residential care facility, whether the existing supply of facilities of a similar nature and operation in the community is sufficient to provide individuals with a disability an equal opportunity to live in a residential setting.

In May 2011, City staff estimated there are approximately 359 authorized residential care facility client beds in the City (these numbers are exclusive of the up to 213 ADP-licensed treatment beds), although the actual number of occupied beds is likely to be less than 359 client beds. (See Attachment I "City-Authorized Recovery Facilities in Newport Beach.") With the recent termination of the City's development agreement with Morningside Recovery, LLC, the number of authorized sober living client beds has been reduced by 36. Operators of many residential care facilities within the City have reported decreased census and vacant beds, which could provide potential StepHouse clients with an equal opportunity to live in a sober living environment without granting the accommodation. However, none of those facilities are located in a single-family home in an R-1 Zoning District.

Findings Related to Reasonableness of Request (Findings No. 3 and 4):

Even if the applicant provides housing for the disabled, and even if the requested accommodation is necessary, the City is not required to grant a request for accommodation that is not reasonable. Cities may find an accommodation request unreasonable if granting the request: (1) would impose undue financial or administrative burdens on the City, or (2) result in a fundamental alteration in the nature of a City program (sometimes described as undermining “the basic purpose which the requirement seeks to achieve”). *U.S. v. Village of Marshall* (W.D. Wisc. 1991) 787 F.Supp. 872, 878-879.

- 3. *Required Finding: That the requested accommodation will not impose an undue financial or administrative burden on the City as “undue financial or administrative burden” is defined in Fair Housing Laws and interpretive case law.***

This finding can be made. The applicant states the residents are not transient, and has reported that the typical length of stay is six months, up to one year or longer. Allowing the facility to remain at its current location so long as it is necessary to provide disabled individuals with an equal opportunity to use and enjoy a dwelling would not impose an undue financial or administrative burden on the City.

- 4. *Required Finding: That the requested accommodation will not result in a fundamental alteration in the nature of a City program, as “fundamental alteration” is defined in Fair Housing Laws and interpretive case law.***

This finding cannot be made. Staff has found that authorizing the continued use by an operator who established a facility illegally would undermine a basic purpose of the City’s General Plan and Zoning Code. Policy LU 6.2.7 of the City of Newport Beach General Plan requires the City to regulate day care and residential care facilities to the maximum extent allowed by federal and state law to minimize impacts on residential neighborhoods. The City adopted Ordinance No. 2008-5 in order to implement General Plan Policy LU 6.2.7.

The Zoning Code is the primary tool utilized to carry out the goals, objectives, and policies of the General Plan. Section 20.10.020 of the Zoning Code sets forth the basic purpose of the Zoning Code, which is intended to “promote the orderly development of the City; promote and protect the public health, safety, peace, comfort, and general welfare; protect the character, social, and economic vitality of neighborhoods; and to ensure the beneficial development of the City.”

To implement the stated purposes of the General Plan and Zoning Code, Ordinance No. 2008-5 placed regulations on all groups not living either as single housekeeping units or in a residential care facility classified as “Residential Care Facilities, Limited Licensed.”

These regulations are in place to ensure that the fundamental purposes of the Zoning Code can be achieved, and so that adverse secondary impacts that residential care facilities may have on the surrounding neighborhood can be mitigated. The Zoning Code requires that:

- Unlicensed residential care facilities may not operate in any residential district without approval of a conditional use permit.
- An express purpose of requiring operational standards for conditional use permits in residential zones is to ensure that conditional uses are operated in a manner consistent with federal, state and local law; and
- A required finding to grant approval of a conditional use permit in a residential zoning district is that the operator does not have a demonstrated pattern or practice of operating similar uses in violation of federal, state or local law.

To support the General Plan's purpose of minimizing impacts of residential care facilities on residential neighborhoods, the Zoning Code regulates such facilities to the maximum extent permitted by law, even when granting reasonable accommodations. Waiving operational standards provided by a conditional use permit, which were adopted by the City Council to provide the maximum protection required by the General Plan, would undermine a basic purpose of the General Plan and the Zoning Code. In the case of StepHouse, the operator has demonstrated a practice of operating a facility in violation of state and local laws. The required use permit finding that the operator has not demonstrated a practice of operating facilities in violation of state and local law could not be made.

In the past, a number of residential care facilities have been granted a reasonable accommodation with conditions of approval to operate in a zoning district other than RM or RMD because the Hearing Officer found that permitting the use did not undermine a basic purpose of the Zoning Code or General Plan. The reasonable accommodation was granted in part because the applicants met all the required findings and operational standards required by the NBMC to receive approval of a conditional use permit in a residential zoning district. With the potential negative secondary effects addressed by operational conditions of the reasonable accommodation, and concerns about the impacts created by operators who operated facilities in violation of federal, state or local law addressed by a record without violations, the Hearing Officer found the basic purpose of the conditional use permit requirement was achieved and the purposes of the General Plan and Zoning Code not undermined.

In addition to staff's analysis of the relevant basic purposes of the General Plan and Zoning Code, staff analyzed the basic purposes of the Conditional Use Permit requirements in residential zones, as follows:

A. Zoning District and Use Permit Considerations

1. Purpose of R-1 Zoning District:

Pursuant to Section 20.18.010 of the Zoning Code, the specific purpose of the R-1 (Single-Unit Residential) Zoning District is intended to “provide for areas appropriate for a range of detached single-family residential dwelling units; each located on a single legal lot, and does not include condominiums or cooperative housing.”

Because of the moderately small resident population of this four-bedroom facility (up to six persons and one resident supervisor), the density of the use appears to be consistent with the density that would be produced by other occupants of single-family residential dwelling units. Therefore, granting the requested accommodation would not undermine one basic purpose R-1 zoning was put in place to achieve.

Dwellings in all residential zoning districts, including R-1, are intended to house only one single housekeeping unit per dwelling. Over many years of enforcing the City’s prohibition on illegal dwelling units, City staff has noted that when more than one single housekeeping unit resides in a single dwelling unit, secondary effects such as increased density, noise, refuse generation, and traffic can result. R-1 neighborhoods developed to house only one single housekeeping unit per parcel are not intended to absorb the impact of more than one single housekeeping unit. However, impacts on surrounding uses can sometimes be mitigated with operational conditions and requirements similar to those that would be applied through a use permit.

2. Purpose of Conditional Use Permits in Residential Zones:

Section 20.18.020 of the Zoning Code establishes the uses that are allowed within each zoning district and the permits required to establish the use, if any, in compliance with Part 5 of the Zoning Code (Planning Permit Procedures). Pursuant to Section 20.18.030, unlicensed residential care facilities are not permitted in the R-1-6000 Zoning District, and are only permitted in the RM or RMD Zoning District subject to approval of a conditional use permit issued by a hearing officer.

Conditional use permits are required for use classifications typically having operating characteristics requiring special consideration so that they may be located and operated compatibly with uses on adjoining properties and in the surrounding area. Section 20.53.030 of the Zoning Code sets forth the purposes of requiring conditional use permits in residential districts. The first stated purpose is:

“....to promote the public health, safety, and welfare and to implement the goals and policies of the General Plan by ensuring that conditional uses in residential neighborhoods do not change the character of such neighborhoods as primarily residential communities.”

The second purpose is:

“....to protect and implement the recovery and residential integration of the disabled, including those receiving treatment and counseling in connection with dependency recovery. In doing so, the City seeks to avoid the overconcentration of residential care facilities so that such facilities are reasonably dispersed throughout the community and are not congregated or over-concentrated in any particular area so as to institutionalize that area.”

B. Staff's Analysis of Whether the Basic Purpose of a Conditional Use Permit is Undermined by Granting the Requested Accommodation

When analyzing whether allowing a residential care facility to operate without the operational standards associated with a conditional use permit undermines a basic purpose the use permit requirement was put in place to achieve, staff first considers whether the facility meets the standards required to receive a conditional use permit. These standards were codified to ensure that residential care facilities would be well managed, not overcrowded, and operated in a manner consistent with federal, state and local laws, and to ensure that operators do not have a pattern or practice of operating similar uses in violation of federal, state or local law. If the standards can be met, the Hearing Officer may find that the purpose of the conditional use permit requirement would not be undermined by granting the requested accommodation. (See Attachment J for a copy of the development and operational standards, and required findings to grant a conditional use permit in a residential zoning district.)

As discussed in the analysis below, staff found that most of the required findings to grant a conditional use permit could have been made for the StepHouse facility, if it were located in a zone that permitted such facilities with approval of a conditional use permit. However, staff is of the opinion that one finding required for approval and issuance of a conditional use permit cannot be made.

As noted previously in this report, StepHouse established the facility in April 2010 without first applying for and receiving a reasonable accommodation from the City. This is a violation of Section 20.18.030 of the NBMC, which prohibits “Residential Care Facilities, Limited Unlicensed” uses in the R-1-6000 Residential Zoning District. Furthermore, StepHouse entered into rental agreements with two clients on May 15, 2010, and June 4, 2010, after receiving the April 28, 2011, notification from Code Enforcement advising of the violation. Staff also discovered that StepHouse had been advertising itself as a “licensed” facility on its website, which is a violation of state law. Staff is of the opinion that given the violations of the NBMC and state law, allowing StepHouse to continue operating at its current location would undermine one of the basic purposes and operational standards the Conditional Use Permit requirement was put in place to achieve. Specifically, the use does not conform to the operational standards established by Section 20.52.030(G.2.c), as follows:

“The names of all persons and entities with an ownership or leasehold interest in the use, or who will participate in operation of the use, shall be disclosed in writing to the City, and these persons and entities shall not have a demonstrated pattern or practice of operating similar facilities in or out of the City of Newport Beach in violation of federal, State or local law.”

This operational standard is required for use permits “to ensure that conditional uses in residential zoning districts are operating in a manner that is consistent with federal, state, and local law . . .” (NBMC § 20.52.03.G.2.)

When reviewing an application for a conditional use permit in a residential district, the Hearing Officer may approve or conditionally approve a conditional use permit only if all of the required findings can be made. This includes the findings that: (1) the proposed use is consistent with the General Plan, (2) the use is allowed within the applicable zoning district and complies with all other applicable provisions of the Zoning Code and Municipal Code, and (3) the use would not be detrimental to the harmonious and orderly growth of the City, or endanger, jeopardize, or otherwise constitute a hazard to the public convenience, health, interest, safety, or general welfare of persons residing or working in the neighborhood of the proposed use.

The General Plan requires that residential care facilities be regulated to the maximum extent allowed by state and federal law. Staff is of the opinion that overlooking the violations of local and state law by StepHouse, and waiving the conditional use permit operational standards related to those violations is not consistent with the provisions of the General Plan. The establishment of “Residential Care Facility, Small Unlicensed” uses in residential zoning districts where such uses are not permitted without first applying for and receiving a reasonable accommodation would be detrimental to the harmonious and orderly growth of the City.

Staff’s analysis of the remainder of the operational standards and required findings for conditional use permits in residential zones indicated that, with the exception of possible generation of traffic somewhat in excess of surrounding residential uses, the required findings for a conditional use permit could have been made.

Factors of Consideration – fundamental alteration/reasonableness:

Pursuant to Section 20.52.079 (D.4) of the NBMC, the Hearing Officer may also consider, but is not limited to, the following factors in determining whether the requested accommodation would require a fundamental alteration in the nature of a City program:

Factor A. Whether the requested accommodation would fundamentally alter the character of the neighborhood.

The City has received numerous letters, emails and phone calls from the neighbors reporting negative secondary impacts on the neighborhood since the StepHouse facility has established in the neighborhood (Attachment K). The impacts reported include: inhabitants of StepHouse and its guests speeding up and down the streets in cars, increased traffic, excessive use of on-street parking of facility residents and/or guests, persons loitering in the front yard of the facility and in the neighborhood, and vandalism in neighborhood. However, as of publication of this report, the City's Code Enforcement Division has been unable to confirm and substantiate that the StepHouse facility is the cause of these impacts.

It should be noted for the record that the Newport Beach Police Department has reported a call for service on September 18, 2011, which resulted in the arrest a suspect for criminal threats to a resident of StepHouse. The suspect was a former resident, and when he returned to StepHouse he was told to leave since he was not longer a resident, at which point he became enraged and made threats of bodily harm.

Factor B. Whether the accommodation would result in a substantial increase in traffic or insufficient parking.

Parking - The site plan provided by the applicant indicates there is a two-car garage and two driveway parking spaces that would allow for the parking of staff and resident client vehicles without impacting the neighborhood.

Traffic and Generated Trips – The Institute of Transportation Engineers (ITE) establishes and publishes standards for trip generation rates based on the use classification of a site. In the case of a single family dwelling, the standard trip rate is based on 9.57 average daily trips per dwelling. Trips rates for residential care facilities are based on 2.74 average daily trips per each occupied bed. Based on these standards, a 6-bed residential care facility is estimated to generate approximately 16.44 average daily trips. Applying this formula, the facility will generate average daily trips in excess of the surrounding single family dwellings.

Factor C. Whether granting the requested accommodation would substantially undermine any express purpose of either the City's General Plan or an applicable specific plan.

General Plan Policy LU 6.2.7 requires the City to regulate day care and residential care facilities to the maximum extent allowed by federal and state law to minimize impacts on residential neighborhoods. The City adopted Ordinance No. 2008-5 in order to implement General Plan Policy LU 6.2.7. Under the conditions described in the Finding 4 analysis above, staff believes granting the

requested accommodation would substantially undermine an express purpose of the General Plan.

Factor D. In the case of a residential care facility, whether the requested accommodation would create an institutionalized environment due to the number of and distance between facilities that are similar in nature or operation.

There are no other documented facilities similar in nature or operation to the subject facility within this block or any of the immediately adjacent blocks. Thus, the granting of the reasonable accommodation with a condition of approval limiting the maximum occupancy of the facility to six residents and one full-time staff member would not create an institutionalized environment.

5. ***Finding: The requested accommodation will not, under the specific facts of the case, result in a direct threat to the health or safety of other individuals or substantial physical damage to the property of others.***

This finding can be made. A request for reasonable accommodation may be denied if granting it would pose “a direct threat to the health or safety of other individuals or result in substantial physical damage to the property of others.” See 42 U.S.C. § 3604(f)(9). This is a very limited exception and can only be used when, based on the specific facts of a situation, a requested accommodation results in a significant and particularized threat. Federal cases interpreting this exception in the FHAA indicate that requested accommodations cannot be denied due to generalized fears of the risks posed by disabled persons. In this case, there are no facts that suggest granting the request accommodation would result in a significant and particularized threat.

SUMMARY:

Staff has considered whether the violations of state and local law, which the applicant states were unknowing, preclude the Hearing Officer from making all findings required to grant the requested accommodation. Staff has concluded that the all required findings cannot be made due to the violations of state and local laws, and thus staff is unable to recommend approval of the reasonable accommodation. This conclusion was reached in part because staff has advised applicants of other reasonable accommodation requests that the illegal establishment of their facility prevented staff from making all findings required to grant the requested accommodations. For purposes of consistency and to avoid disparate treatment of applicants, staff must draw the same conclusion in this case.

The Hearing Officer, however, is the ultimate finder of fact in this administrative hearing. He may consider the applicant’s testimony at the hearing, as well as the testimony of other members of the public, and determine whether under the circumstances of this case, the applicant’s two known violations of state and local law prevent the Hearing Officer from making all required findings to grant the requested accommodation.

CONCLUSION:

Staff is of the opinion that each of the findings required to grant approval of a reasonable accommodation to StepHouse cannot be made based on the information and attachments provided in this report. For this reason, staff recommends that the Hearing Officer:

1. Deny the request for Reasonable Accommodation No. 2011-001; and
2. Direct staff to prepare a Resolution of Denial with Conditions for Reasonable Accommodation No. 2011-001. Such conditions could allow StepHouse to continue operating in this location until the expiration of the lease between StepHouse and the property owner, which would allow StepHouse to fulfill its obligation to its existing clients. Operational conditions could also be imposed on StepHouse in order to mitigate adverse secondary impacts from occurring in the neighborhood. (See Attachment K for a sample of operational conditions applied at similar facilities in the past.)

ENVIRONMENTAL REVIEW:

This activity has been determined to be categorically exempt under the requirements of the California Environmental Quality Act under Class 1 (Existing Facilities). This class of projects has been determined not to have a significant effect on the environment and is exempt from the provisions of CEQA. This activity is also covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment (Section 15061(b)(3) of the CEQA Guidelines. It can be seen with certainty that there is no possibility that this activity will have a significant effect on the environment and therefore it is not subject to CEQA.


NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

Notice of this hearing was published in the Daily Pilot, mailed to all owners and occupants of property within 300 feet of the boundaries of each of the property locations, and mailed to the applicant at least 10 days prior to this hearing, consistent with the provisions of the NBMC. Notice of this hearing was also posted at each property location at least 10 days prior to this hearing.

Prepared and Respectfully Submitted by:



Janet Johnson Brown
Associate Planner

Catherine M. Wolcott
Deputy City Attorney

Attachments: Appendix A
A: StepHouse Recovery, Inc. Rules and Regulations
B: Letter from Code Enforcement to StepHouse dated April 28, 2011
C: Copy of Website Page from StepHouse
D: Email from StepHouse dated May 24, 2011
E: StepHouse Submittal Package and Subsequent Communication
F: Rental Agreement between StepHouse and Property Owner
G: StepHouse Client Rental Agreements
H: Notice of Conditional Abatement to StepHouse dated July 13, 2011
I: City-Authorized Recovery Facilities, as of May 2011
J: NBMC Sections 20.52.030.G and 20.52.030.H
K: Copies of All Communications Received re: StepHouse
K. Sample Operational Conditions

APPENDIX A
STEPHOUSE RECOVERY, INC.
Reasonable Accommodation No. 2011-001

Ordinance No. 2008-5

In response to a rapidly increasing number of Group Residential Uses within the City and the negative secondary impacts these uses potentially can have on residential neighborhoods in which they are located, the City Council adopted Ordinance No. 2008-5 in January 2008. The ordinance identifies the following adverse impacts that typically accompany this type of use:

- Changes in the residential character of the neighborhood
- Noise
- Secondhand smoke
- Profanity and lewd speech
- Traffic congestion
- Excessive trash produced
- Excessive debris on surrounding sidewalks

Ordinance No. 2008-5 is intended to protect the integrity of the City's residential areas. The fundamental precept of the City's Zoning Code relative to residential zones is that individual dwelling units are intended for the occupancy and use of single housekeeping units. Among other things, this ordinance amended the City's laws regulating unlicensed residential care facilities, and licensed residential care facilities with more than six residents. Under the Zoning Code, new licensed residential care facilities with more than six residents, and all unlicensed residential care facilities, may be located in residential districts zoned RM (Multiple Residential) or RMD (Multiple Residential Detached) upon approval and issuance of a Conditional Use Permit. With the exception of licensed residential care facilities with six or fewer residents (which may locate in any residential zone), residential care facilities are not permitted in the R-A, R-1, R-B1 or R-2 Residential Zoning Districts unless a requested exception to this restriction is found to be reasonable, and the applicant demonstrates that the exception is necessary to afford disabled individuals an equal opportunity to use and enjoy a dwelling.

Hearing Officer Attachment A

StepHouse Recovery, Inc. Rules and
Regulations

Our mission is to be the premier provider of sober living housing by providing an alcohol- and drug-free residence in a clean, safe and supportive environment. Our residents will be adult alcoholics and addicts who are motivated to continue their recovery, committed to staying sober, and agree to remain active in their recovery program.

Prospective Residents

1. Qualifications – To be considered for admittance, prospective residents shall possess the following: a desire to stay sober, ability to get along with others, agree to abide by all house rules, a willingness to work their program, and the ability to meet financial requirements.

2. Screening – All prospective residents shall pass an interview with at least one Stephouse Recovery Inc. coordinator. Photo identification must be available. Verification of financial responsibility may be required. If applicant does not meet requirements for admission, they will be referred to the Stephouse Recovery Inc. Network referral number at 800-799-2084.

3. Application form – A copy of the new resident application form must be completed in its entirety. The Stephouse Recovery Inc. reserves the right to contact and/or verify any reference provided on the application form. A copy of the completed and signed application form, the signed Guest agreement, criminal history verification form, and a copy of the resident's photo identification shall be placed in the resident's file.

The Stephouse Recovery Inc. accepts individuals with drug and/or alcohol dependencies who are clean and sober, at least 18 years of age, not a danger to themselves or to others and who are ambulatory and can take care of themselves. Prospective clients must be involved in a 12-step program of their choice and be active in their recovery.

The Stephouse Recovery Inc. will not deny membership to anyone on the basis of race, ethnic background, national origin, creed, religious affiliation, marital status or sexual orientation.

The Stephouse guests are required to maintain their admission requirements throughout their stay and submit to random testing and adhere to The Stephouse rules.

RECEIVED BY
PLANNING DEPARTMENT

MAY 27 2011

The Stephouse Recovery Inc.
2927 Paper Lane
Newport Beach, CA 92660
(714) 394-3494 • (714) 528-7858
www.Stephouserecovery.com

ALCOHOL AND DRUG-FREE RESIDENT AGREEMENT

The undersigned acknowledges and understands that he is living in an alcohol and other drug-free shared housing, managed by the residents living together as a family of persons with disabilities. The undersigned understands that they reside in a congregate housing situation and not in an exclusive unit or space. The undersigned understands they do not reside as a tenant with rights or possession of housing space exclusively until 5/26/2011.

The undersigned resident agrees to participate in and abide by the policies, rules and regulations of The Stephouse Recovery Inc. The undersigned agrees to vacate from the shared housing accommodations when alcohol and/or illicit drugs are used or by not abiding these cardinal rules.

The undersigned agrees to pay a shared housing fee of \$000/month. Fee payments are non-refundable. Resident fees include utilities and maintenance service. The monthly shared housing fee is due the 1st day of every month, may be pro-rated dependent upon admittance. There will be a \$25 a day late fee assessed after the 5th of the month.

All residents agree to the following cardinal rules as a condition of residency:

1. Remain alcohol and other drug free. This includes selling, possession, or consumption.
Physical and mental health medication drugs are allowed but must be included in the resident application.
2. No violence or threats of violence or the possession of weapons.
3. Maintain their space in a clean, healthy, orderly and safe manner.
4. Smoking is permitted in designated areas only.
5. Absolutely no fraternizing with other house guests or Stephouse Recovery Inc. employees.

All spaces are properly furnished and are kept clean and orderly. The Stephouse Recovery Inc. manages the utility use, furnishings, maintenance, and upgrade of all lodging spaces. Each resident provides their own food, toiletries, electronics and personal needs. .

The undersigned releases the Management and The Stephouse Recovery Inc, from any liability related to the conditions of the agreement.

Name

Date

Signature5

POLICIES AND PROCEDURES

The Stephouse Recovery Inc. management has found the following rules workable and that acceptance of these rules is essential. Management reserves the right to change or make additions to the house rules at any time. Management also has the right to interpret and apply the rules at their own discretion and may do so differently from case to case. These rules may be amended or modified at the weekly house meeting.

- Policy Prohibiting Alcohol and Non-Prescribed Drugs – Alcohol, illegal drug, or non-prescribed drug use or possession are **strictly prohibited**. Any resident who is found to have used, is under the influence of, or in possessions of alcohol or illicit drugs will be immediately required to move out and stay out of that house for a minimum of 30 days. ALL RESIDENTS MAY BE SUBJECT TO RANDOM DRUG SCREENS, BREATHALYZER and/or ROOM SEARCHES. If you refuse a search or test, or if drugs or alcohol are found or detected, automatic discharge will result. Under no circumstances shall a resident who is under the influence be allowed in the house. Management shall pack their bags for them. When sober, the resident can arrange with the office to retrieve personal property.
- Prescription Drug Policy – All prescription and over-the-counter medications being taken must be disclosed to management; any resident on prescription medication will be provided a lock box. It is the resident's responsibility to notify management when there is a change to their medications. If a resident is prescribed psychotropic medications, the resident must continue taking them to stay in the house. Prescription medications must be taken in the dosage and frequency as prescribed. Abuse of medication can be considered a relapse. Taking or possessing prescription drugs that are prescribed to someone else is prohibited.
- Agree and understand that a condition for being a Guest at The Stephouse Recovery Inc. is to be gainfully employed, actively seeking work, in treatment, attending school, or other activities to enhance my future.
- Agree to rise at a reasonable time based upon work/school schedule, be dressed, make bed, clean immediate area, and to have house chores completed as scheduled.
- Agree not to enter another Guest room/area without permission. No contact with Ex-Guests that have been discharged due to relapse infractions.

- Agree to no romantic or sexual relationship with another guest of The Stephouse Recovery Inc. and understand that to do so could result in immediate discharge. Agree to not have any association with any known drug or alcohol offender(s), nor frequent places where drugs are sold, used or are accessible.
- Agree to no threats, physical violence, possession of weapons, stealing or vandalism of house/guest property.
- Agree to be respectful of others upon entering The Stephouse.
- Agree that if I leave The Stephouse Recovery Inc. for more than 24 hours, I am subject to discharge, my guest fees are forfeited and personal belongings held for only 30 days (excluding food products) then discarded or donated to charity. A per week storage fee will be charged for personal belongings after guest fees expire.
- Agree to drive only with a valid driver's license, current registration and minimum auto insurance required by California law.
- Agree to be responsible for own personal property; maintain immediate area with a limited amount of personal items, pictures and knick-knacks.
- Agree to make an effort to be compatible with other guests. If behavior becomes unacceptable, it could result in my immediate discharge from The Stephouse Recovery Inc.
- Agree not to bring "Any" pet of "Any" kind on premises.
- Your monthly cost is payable on or before it is due.
- Cleanliness starts with yourself. Shower daily and keep your personal living area clean and orderly. Be considerate of your roommates and others. Wash your clothes and bedding regularly. Laundry hours are from 9:00 am to 10:00 pm.
- Each house must be kept clean and tidy. This is done by the assignment of chores; all are assigned chores on a weekly rotation basis. Your chores must be done daily! Every effort must be made to complete chores as early as possible in the day. If you have a 24-hour pass, assigned chores must be done before leaving. Guests not complying with these requirements will be asked to leave.
- Cleanliness is a must! Clean up after yourself in the bathroom, kitchen, living room and patio. Do not leave dishes in the sink or any other area of the house. Clean them and stow them in your allocated space. Wipe the counter and stove clean after using them.

- Lock doors and windows when leaving. The front door will be locked at all times. Do not unlock the door to anyone you do not know. That includes neighbors. Always check with the house manager.
- Attitude and Behavior: a good positive attitude is important. Guests with a continuously poor attitude toward Staff, or to other members, will be asked to leave. Guests are expected to abide by any reasonable request made by staff. Guests must not go into private space of others without that person's permission. Keep window curtains drawn while dressing and in the evening. DO NOT go out the front of the house unless fully dressed. Be considerate of roommates and others with respect to such as noise, lights and privacy.
- Respect others' property. NO STEALING! Theft is cause for immediate expulsion and may result in legal proceedings.
- The house must be a safe place to live. Threatening or dangerous behavior and/or deliberate abuse to house property will be cause for immediate expulsion and may result in legal proceedings.
- Managers are the only persons allowed to bring mail in from the mailbox. Mail will be held for a maximum of 7 days, and will then be returned to the Postal Service.
- Automobiles on the property – Drivers must be licensed and insured. Cars must have current registration. Auto repair on the premises is not permitted without management permission.
- Suggested meetings for all guests: Three 12-Step meetings and or Bible Study, along with weekly house solutions meetings.
- If you have anything that you consider of value: PS3, radio, jewelry, etc., do NOT keep them here; The Stephouse is NOT responsible for lost or stolen property.
- Personal property is brought into the house at your own risk. Lending or borrowing from another guest is to be avoided. Personal property left at the house seven (7) days after discharge will be donated to the house. If contact is made with staff prior to 7 days, property will be held up to fifteen (15) days maximum.
- Smoking is permitted only in designated areas. Smoking is not allowed inside the house or in front of the house. Do not leaving burning cigarettes unattended. Dispose of your ash and cigarette butts in the safe-disposal butt cans.
- Agree to be in good medical health, free of communicable diseases that put others at risk of contraction during casual contact.

- Bottled water ONLY is allowed in the bedrooms and the living rooms.
- Fire and Earthquake Safety – Read and understand the posted information on Fire and Earthquake. You must become familiar with the designated escape routes, safe gathering locations and the need for a safe location head count. Fire and earthquake drills will be conducted at regular intervals. Fire prevention is everyone's concern and responsibility. Practice safe habits, smoke only in designated areas, and be aware of the fire extinguisher locations, and how to use them for small fires only. Know how and when to call 911. Emergency information and a head-count in/out board are posted near the front door.
- Curfew – Curfews must be followed unless other arrangements are made in advance with management. Sunday through Thursday curfew is 10pm. Friday and Saturday curfew is 12:00 am.
- Overnight Passes – May be given on a case-by-case basis as determined by management.
- Stereos – Personal stereos are permitted in the house and may be played with reasonable volume.
- House Meetings – Participation in the weekly house solutions meeting is mandatory. Additional meetings may be called when a situation warrants.
- Residents are expected to pick up after themselves and clean appliances after use. Dishes, cups, utensils are to be washed or loaded in the dishwasher immediately after use. Personal belongings and trash shall not be left out in the house.
- Bedrooms – Residents are expected to keep their bedrooms clean and neat at all times. Beds must be made each morning. On Monday through Friday residents are encouraged to be up and out of bed by 8 am. Only those residing in a given room and management may enter that room. Management has the right to enter any room at any time. Food is not to be stored or consumed in bedrooms.
- Behavior – Behavior that is not conducive to recovery will not be tolerated. This includes, but is not limited to: sexual activity on premise, fighting, stealing, lying, intimate relations between residents and poor attitude. The living room, library, dining room, kitchen and yard are common areas. Rules of common courtesy, respect, cleanliness, and cooperation are in order. Residents are expected to be good neighbors, not just "non-disturbing" neighbors.
- Visitation Policy – NO WOMEN ALLOWED IN HOUSE. Guests are allowed in the house between the hours of 9:00 am and 10 pm. Guests must abide by all house rules and are expected to be clean, courteous, and sober at all times. Guests may not stay overnight. Guests must be escorted by the house resident, who is responsible for the guest while in the house. Guests are not

allowed in any bedroom. Guests will be required to vacate the property for any violation of house rules or procedures.

- Eviction -- Guests can be asked to vacate premises without notice at anytime. Lodging fees are paid in advance and are nonrefundable.
- Chain-of-Command -- All resident questions, concerns and comments are to be directed to the House Managers first before being brought to the attention of the directors.
- Moving -- Residents may move to a different bed when a bed opens up, based on seniority.
- Emergencies -- The police should be called only in the case of real emergencies. Call 911 for medical emergencies. If possible, the House Managers and Directors should be informed first.
- Events -- Periodic events may be sponsored by management. These can include barbecues, holiday dinners, etc. Resident sponsored events are allowed with prior authorization from the office.
- Guest Fees -- Guest fees are to be paid in advance and are non-refundable. Guest fees are due on the first of each month unless other arrangements are made in advance. A late fee may be assessed and/or the resident may be asked to move out. It is the resident's responsibility to contact the appropriate person in the office to make payment or to make arrangements for payment. Director has final authority regarding payment plans.
- Relapse -- A resident who relapses (uses alcohol or drugs) will be asked to immediately vacate the house and may not move back into that house for a minimum of 30 days.
- Deposit -- The Stephouse requires a \$100 move-in fee, the fee covers administrative processing costs and normal wear to Stephouse furnishings. 1. Guest gives at least a two-week notice of departure. 2. Guest leaves the room in the same condition it was let.
- Confidentiality -- The Stephouse is not bound by any rules of confidentiality with regard to client information. The Stephouse will fully cooperate with and share information with law enforcement personnel, including parole and probation officers.

THE STEPHOUSE management has found the following rules workable and that acceptance of these rules is essential. Management reserves the right to change or make additions to the house rules at any time. Management also has the right to interpret and apply the rules at their own discretion and may do so differently from case to case. These rules may be amended or modified at the weekly house meeting.

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is found to have used, is under the influence of, or in possessions of alcohol or illicit drugs will be immediately required to move out and stay out of that house for a minimum of 30 days. ALL RESIDENTS MAY BE SUBJECT TO RANDOM DRUG SCREENS, BREATHALYZER and/or ROOM SEARCHES. If you refuse a search or test, or if drugs or alcohol are found or detected, automatic discharge will result. Under no circumstances shall a resident who is under the influence be allowed in the house. Management shall pack their bags for them. When sober, the resident can arrange with the office to retrieve personal property.

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Agree and understand that a condition for being a Guest at The Stephouse is to be gainfully employed, actively seeking work, in treatment, attending school, or other activities to enhance my future.

Agree to rise at a reasonable time based upon work/school schedule, be dressed, make bed, clean immediate area, and to have house chores completed as scheduled.

Agree not to enter another Guest room/area without permission. No contact with Ex-Guest that have been discharged due to relapse infraction.

Agree to no romantic or sexual relationship with another guest of The Stephouse, Recovery Inc. and understand that to do so could result in immediate discharge. Agree to not have any association with any known drug or alcohol offender(s), nor frequent places where drugs are sold, used or are accessible.

Agree to no threats, physical violence, possession of weapons, stealing or vandalism of house/guest property.

Agree to be respectful of others upon entering The Stephouse Recovery Inc.

Agree that if I leave The Stephouse Recovery Inc for more than 24 hours, I am subject to discharge, my guest fees are forfeited and personal belongings held for only 30 days (excluding food products) then discarded or donated to charity. A per week storage fee will be charged for personal belongings after guest fees expire.

Agree to drive only with a valid driver's license, current registration and minimum auto insurance required by California law.

Agree to be responsible for own personal property; maintain immediate area with a limited amount of personal items, pictures and knick-knacks.

Agree to make an effort to be compatible with other guests. If behavior becomes unacceptable, it could result in my immediate discharge from The Stephouse Recovery Inc.

Agree not to bring "Any" pet of "Any" kind on premise.

Your monthly cost is payable on or before it is due.

Cleanliness starts with yourself. Shower daily and keep your personal living area clean and orderly. Be considerate of your roommates and others. Wash your clothes and bedding regularly. Laundry hours are from 9:00 am to 10:00 pm.

Each house must be kept clean and tidy. This is done by the assignment of chores, all are assigned chores on a weekly rotation basis. Your chores must be done daily! Every effort must be made to complete chores as early as possible in the day. If you have a 24-hour pass, assigned chores must be done before leaving. Guests not complying with these requirements will be asked to leave.

Cleanliness is a must! Clean up after yourself in the bathroom, kitchen, living room and patio. Do not leave dishes in the sink or any other area of the house. Clean them and stow them in your allocated space. Wipe the counter and stove clean after using them.

Lock doors and windows when leaving. The front door will be locked at all times. Do not unlock the door to anyone you do not know. That includes neighbors. Always check with the house manager.

Attitude and Behavior: a good positive attitude is important. Guests with a continuously poor attitude toward Staff, or to other members, will be asked to leave. Guests are expected to abide by any reasonable request made by staff. Guests must not go into private space of others without that person's permission. Keep window curtains drawn while dressing and in the evening. DO NOT go out the front of the house unless fully dressed. Be considerate of roommates and others with respect to such as noise, lights and privacy.

Respect others' property. NO STEALING! Theft is cause for immediate expulsion and may result in legal proceedings.

The house must be a safe place to live. Threatening or dangerous behavior and/or deliberate abuse to house property will be cause for immediate expulsion and may result in legal proceedings.

Managers are the only persons allowed to bring mail in from the mailbox. Mail will be held for a maximum of 7 days, and will then be returned to the Postal Service.

Automobiles on the property – Drivers must be licensed and insured. Cars must have current registration. Auto repair on the premises is not permitted without management permission.

Telephone use: There is a ten-minute time limit to any call on the house phone; (10 minutes on then 10-minutes off)! All guests answering the phone will call the guest asked for or will take a message and place it in the appropriate slot. Do not give any phone callers names or information about guest.

Suggested meetings for all guests: Three 12-Step meetings and or Bible Study, along with weekly house solutions meetings.

If you have anything that you consider of value: PS3, radio, jewelry, etc., do NOT keep them here; The Stephouse Recovery Inc. is NOT responsible for lost or stolen property.

Personal property is brought into the house at your own risk. Lending or borrowing from another guest is to be avoided. Personal property left at the house seven (7) days after discharge will be donated to the house. If contact is made with staff prior to 7 days, property will be held up to fifteen (15) days maximum.

Smoking is permitted only in designated areas. Smoking is not allowed inside the house or in front of the house. Do not leaving burning cigarettes unattended. Dispose of your ash and cigarette butts in the safe-disposal butt cans.

Agree to be in good medical health, free of communicable diseases that put others at risk of contraction during casual contact.

Bottled water ONLY is allowed in the bedrooms and the living rooms.

Fire and Earthquake Safety – Read and understand the posted information on Fire and Earthquake. You must become familiar with the designated escape routes, safe gathering locations and the need for a safe location head count. Fire and earthquake drills will be conducted at regular intervals. Fire prevention is everyone's concern and responsibility. Practice safe habits, smoke only in designated areas, and be aware of the fire extinguisher locations, and how to use them for small fires only. Know how and when to call 911. Emergency information and a head-count in out board are posted near the front door.

Curfew – Curfews must be followed unless other arrangements are made in advance with management. Sunday through Thursday curfew is 12:00 am. Friday and Saturday curfew is 2:00 am.

Overnight Passes – May be given on a case-by-case basis as determined by management.

Stereos – Personal stereos are permitted in the house and may be played with reasonable volume.

House Meetings – Participation in the weekly house solutions meeting is mandatory. Additional meetings may be called when a situation warrants.

Residents are expected to pick up after themselves and clean appliances after use. Dishes, cups, utensils are to be washed or loaded in the dishwasher immediately after use. Personal belongings and trash shall not be left out in the house.

Bedrooms – Residents are expected to keep their bedrooms clean and neat at all times. Beds must be made each morning. On Monday through Friday residents are encouraged to be up and out of bed by 8 am. Only those residing in a given room and management may enter that room. Management has the right to enter any room at any time. Food is not to be stored or consumed in bedrooms.

Behavior – Behavior that is not conducive to recovery will not be tolerated. This includes, but is not limited to: sexual activity on premise, fighting, stealing, lying, intimate relations between residents and poor attitude. The living room, library, dining room, kitchen and yard are common areas. Rules of common courtesy, respect, cleanliness, and cooperation are in order. Residents are expected to be good neighbors, not just "non-disturbing" neighbors.

Visitation Policy – NO WOMEN ALLOWED IN HOUSE. Guests are allowed in the house between the hours of 9:00 am and 10:00 pm. Guests must abide by all house rules and are expected to be clean, courteous, and sober at all times. Guests may not stay overnight. Guests must be escorted by the house resident, who is responsible for the guest while in the house. Guests are not allowed in any bedroom. Guests will be required to vacate the property for any violation of house rules or procedures.

Eviction – Guests can be asked to vacate premises without notice at anytime. Lodging fees are paid in advance and are nonrefundable.

Chain-of-Command – All resident questions, concerns and comments are to be directed to the House Managers first before being brought to the attention of the directors.

Moving – Residents may move to a different bed when a bed opens up, based on seniority.

Emergencies – The police should be called only in the case of real emergencies. Call 911 for medical emergencies. If possible, the House Managers and Directors should be informed first.

Events – Periodic events may be sponsored by management. These can include barbecues, holiday dinners, etc. Resident sponsored events are allowed with prior authorization from the office.

Guest Fees – Guest fees are to be paid in advance and are non-refundable. Guest fees are due on the first of each month unless other arrangements are made in advance. A late fee may be assessed and/or the resident may be asked to move out. It is the resident's responsibility to contact the appropriate person in the office to make payment or to make arrangements for payment. Director has final authority regarding payment plans.

Relapse – A resident who relapses (uses alcohol or drugs) will be asked to immediately vacate the house and may not move back into that house for a minimum of 30 days.

Deposit – The Stephouse Recovery Inc. requires a \$100 Processing Fee due at move-in for administrative costs and normal wear to Stephouse furnishings.
1. Guest will give at least a two-week notice of departure. 2. Guest leaves the room in the same condition it was let.

Confidentiality – The Stephouse Recovery Inc. is not bound by any rules of confidentiality with regard to client information. The Stephouse Recovery Inc. will fully cooperate with and share information with law enforcement personnel, including parole and probation officers.

Hearing Officer Attachment B

Letter from Code Enforcement to
StepHouse dated April 28, 2011



CITY OF NEWPORT BEACH

COMMUNITY DEVELOPMENT DEPARTMENT Code Enforcement Division

April 28, 2011

Stephouse Recovery Inc
Attn: Matthew Harrison, Director of Operations
2927 Paper Lane
Newport Beach, CA 92660

Subject Property: 2927 Paper Lane (APN: 119-251-08; Lot 8, N TR 3068)
Newport Beach, CA 92660

Dear Mr. Harrison:

Thank you for the opportunity to inspect your facility located at 2927 Paper Lane on April 14, 2011. As we discussed, there are no permits on file at the City authorizing the establishment of a residential care facility at the subject property.

Please be advised that in 2008, the City of Newport Beach adopted Ordinance No. 2008-05 which relates to Group Residential Uses. Uses regulated by Ordinance No. 2008-05 include certain community care facilities, elder care facilities, group homes, licensed alcohol and drug residential treatment facilities, "sober living" homes, boarding houses, and parolee/probationer homes. The ordinance is available online at the following link: www.newportbeachca.gov/index.aspx?page=1571

Ordinance No. 2008-05 prohibits new, unlicensed residential care facilities from operating in any R-1, R-B1, and R-2 zoning district. The Ordinance allows for the operation of residential care facilities at properties zoned Multiple Residential (RM), subject to the approval of a Use Permit from the City.

The subject property is zoned R-1-6000, and use of the property as a sober living home without proper approvals from the City is a violation of Newport Beach Municipal Code (NBMC) Section 20.18.020. You may apply for a Reasonable Accommodation requesting an exemption from the NBMC to allow a sober living home to operate in this location. However, please be advised that if a Reasonable Accommodation is not approved, use of the property as a sober living home must cease.

In order to correct this violation, please take one of the following corrective measures by May 28, 2011:

1. Cease using the property as a sober living home. Schedule an inspection of the property with the City's Code Enforcement Division to verify that the facility has been closed.
2. Apply for Reasonable Accommodation requesting exemption from NBMC 20.18.020. Such application must be submitted on forms provided by the City's Planning Division, pursuant to NBMC Section 20.52.070. Persons who


Stephouse Recovery Inc
April 28, 2011

are disabled or entities acting on behalf of the disabled may, consistent with Federal law, request "reasonable accommodation" from the City's usual rules, policies and practices, if such accommodation is necessary to afford disabled individuals an equal opportunity to use and enjoy a dwelling. NBMC Chapter 20.52 sets forth the process for applying for Reasonable Accommodation. If you choose this option, a complete application for Reasonable Accommodation must be submitted to the Planning Division by May 28, 2011.

The City would like to take this opportunity to thank you in advance for your cooperation in helping to resolve this matter in a timely and amicable fashion.

To discuss this letter or to arrange for your inspection appointment, please contact me between the hours of 8:00 a.m. to 9:00 a.m. or 4:00 p.m. to 5:00 p.m. at (949) 644-3217.

Sincerely,



Matt Cosylion
Code Enforcement Supervisor



CITY OF NEWPORT BEACH

COMMUNITY DEVELOPMENT DEPARTMENT Code Enforcement Division

April 28, 2011

Daniel Henry
P.O. Box 10639
Newport Beach, CA 92658

Subject Property: 2927 Paper Lane (APN: 119-251-08; Lot 8, N TR 3068)
Newport Beach, CA 92660

Dear Mr. Henry:

This division was informed that the subject property is being utilized as a sober living home or similar residential care facility. A recent inspection by City staff confirmed that a sober living home operated by Stephouse Recovery is being run at your property.

In 2008, the City of Newport Beach adopted Ordinance No. 2008-05 which relates to Group Residential Uses. Uses regulated by Ordinance No. 2008-05 include certain community care facilities, elder care facilities, group homes, licensed alcohol and drug residential treatment facilities, "sober living" homes, boarding houses, and parolee/probationer homes. The ordinance is available online at the following link: www.newportbeachca.gov/index.aspx?page=1571

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1. Cease using the property as a sober living home. Schedule an inspection of the property with the City's Code Enforcement Division to verify that the facility has been closed.
2. Apply for Reasonable Accommodation requesting exemption from NBMC 20.18.020. Such application must be submitted on forms provided by the City's Planning Division, pursuant to NBMC Section 20.52.070. Persons who

Dan Henry
April 28, 2011

are disabled or entities acting on behalf of the disabled may, consistent with Federal law, request "reasonable accommodation" from the City's usual rules, policies and practices, if such accommodation is necessary to afford disabled individuals an equal opportunity to use and enjoy a dwelling. NBMC Chapter 20.52 sets forth the process for applying for Reasonable Accommodation. If you choose this option, a complete application for Reasonable Accommodation must be submitted to the Planning Division by May 28, 2011.

The City would like to take this opportunity to thank you in advance for your cooperation in helping to resolve this matter in a timely and amicable fashion.

To discuss this letter or to arrange for your inspection appointment, please contact me between the hours of 8:00 a.m. to 9:00 a.m. or 4:00 p.m. to 5:00 p.m. at (949) 644-3217.

Sincerely,



Matt Cosyllion
Code Enforcement Supervisor

Hearing Officer Attachment C

Copy of Website Page from StepHouse

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StepHouse Recovery

Your path to wellness

Newport |

[12 Step Programs](#)[Holistic](#)[Sober Coaching](#)[Detox](#)[Treatment](#)

Get Help for:

Intervention and Detox**Residential Care****Women/Men Only****Long Term Recovery****Dual Diagnosis****Eating Disorders****Legal Issues****Take a Tour**

About Us

The StepHouse Recovery Inc, is a licensed; insured; extended care; and transitional sober living environment. This structured atmosphere is especially beneficial for our younger clients and those who have previously been to more than one treatment program with mixed or negative results. Every effort is made to address each client's needs without having the client feel uncomfortable. It is our mission to provide each client regardless of gender, with confidential and professional service. The entire staff at the StepHouse Recovery participates in their own recovery. They have a unique perspective and understanding of exactly what the client is experiencing. We are dedicated to instilling a new hope and life in the individual suffering from drug and alcohol addiction, beginning and continuing the healing process of mind, body, and spirit.

This provided support includes:

Monitored drug and alcohol testing

Transportation

Medication Management

Food allowance

24-hour on-site managers

Personal financial management

Transitional living, life planning, and goal setting

Academic counseling

Hearing Officer Attachment D

Email from StepHouse dated May 24,
2011

Brown, Janet

From: The Stephouse [thestephouse@gmail.com]
Sent: Tuesday, May 24, 2011 11:32 PM
To: Brown, Janet
Subject: Reasonable Accommodation Meeting For StepHouse Recovery May 24th

Janet,

I want to thank you for the time you allocated to Matt and myself in meeting with us today. It was very enlightening and helpful to understand the city's position when it comes to "Reasonable Accommodation" and granting exemptions "Conditional Use Permits". In addition, the information you provided on how to complete the 20.52.070 application and 20.52.030 exemption permit was very thorough.

Thank you for informing us of the erroneous one word mistake on the StepHouse Recovery Website that used the word "licensed". I just completed working with our SEO/Webmaster who mistakenly added the word on accident. If you will check our site that word has been removed and by no means was ever intended to mislead or deceive any party who surfed our site. Without your observation we would have never become aware of this mistake, so thanks again!

We look forward to working closely with you in the future and will be calling you to set up a convenient time to deliver our application for Reasonable Accommodation.

All The Best,

George Vilagut
Executive Director
StepHouse Recovery Inc.
714-394-3494

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888-923-7623

Chat with a Counselor
24 Hours a day

StepHouse Recovery

Your path to wellness

Addiction Treatment
Newport Beach & Costa Mesa, California

12 Step Programs

Holistic

Sober Coaching

Detox

Treatment

Alcohol

Drug

Get Help for:

Intervention and Detox
Residential Care
Women/Men Only
Long Term Recovery
Dual Diagnosis
Eating Disorders
Legal Issues

[Take a Tour](#)



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This provided support includes:

Monitored drug and alcohol testing	Transportation
Medication Management	Food allowance
24-hour on-site managers	Personal financial management
Transitional living, life planning, and goal setting	Academic counseling
Focused direction and personal accountability	Life Coaching
Personal and spiritual growth	Resume and job placement assistance
Stable living arrangement	Structured schedule
Structure and accountability	Sober companion and escort
Peer to peer support	Behavioral modification

888-923-7623

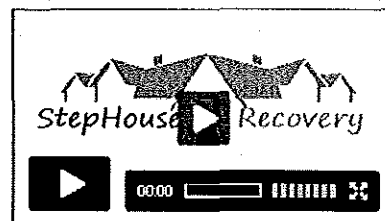
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StepHouse Recovery



Video Testimonials

Letter Testimonials

I came into StepHouse Recovery a broken man, not sure if I wanted to live or die. After 28 days, with a sponsor in hand, my life changed. I love my life & what it holds for me now. My future is bright, but only if I stay connected - meetings, service, & my higher power. Thanks to all at StepHouse Recovery I owe you my life.
- Your friend, Jason .

Hearing Officer Attachment E

StepHouse Submittal Package and
Subsequent Communication

Brown, Janet

From: The Stephouse [thestephouse@gmail.com]
Sent: Friday, July 08, 2011 1:44 PM
To: Wolcott, Cathy; Brown, Janet
Subject: StepHouse Recovery Inc. Addendum To Application
Attachments: Contract 1 001.jpg; contract 2 001.jpg; contract 3 001.jpg; contract 4 001.jpg; contract 5 001.jpg

Good Afternoon Miss Wolcott, & Miss Brown:

It was great seeing the both of you yesterday and I would like to personally thank you both for taking the time out of your busy schedules to meet with me yesterday.

Per our discussion, I am providing the information that you requested and any changes that needed to be made that are helpful in completing the application process so that we may proceed forward to the mediation before a hearing judge.

This e-mail will serve as a addendum to the application submitted by StepHouse Recovery Inc, on May 28th, 2011.

1. StepHouse Recovery Inc. withdraws it's request for the recovery home at 2927 Paper Lane to be considered as a "single housekeeping unit".
2. We are providing copies of our current client contracts with only first name and first initial of last name to comply with confidentiality laws. StepHouse Recovery also agrees not to accept any new clients while in the application and hearing phase of seeking a "reasonable accommodation" permit from the City of Newport Beach.
3. We would also ask that the outdated section 20.98.025(c) referenced in our application answers to #8 be replaced with the current active section 20.52.070(d3) factors for consideration regarding necessity. All other aspects of our response to remain the same.

I look forward to receiving the letter regarding the next steps toward scheduling a date with the hearing judge and any information that you have regarding the abatement process.

Respectfully Yours,

George Vilagut
CEO/President
StepHouse Recovery Inc.
714-394-3494



CITY OF NEWPORT BEACH

**Request for Reasonable Accommodation
Supplemental Information Required**

RECEIVED BY
PLANNING DEPARTMENT

MAY 27 2011

2A2011-117

CITY OF NEWPORT BEACH

Planning Department
3300 Newport Boulevard
Newport Beach, California 92658-8915
(949) 644-3200

Application Number

To aid staff in determining that the necessary findings can be made in this particular case as set forth in Chapter 20.98 of the Municipal Code, please answer the following questions with regard to your request (Please attach on separate sheets, if necessary):

Stephouse Recovery Inc.

Name of Applicant

Stephouse Recovery

If provider of housing, name of facility, including legal name of corporation

2927 Paper Lane Newport Beach, CA 92660

(Mailing Address of Applicant)

(City/State)

(Zip)

714-394-3494

714-969-2889

(Telephone)

(Fax number)

Thestephouse@gmail.com

(E-Mail address)

2927 Paper Lane, Newport Beach, CA 92660

11925108

(Subject Property Address)

Assessor's Parcel Number (APN)

1. Is this application being submitted by a person with a disability, that person's representative, or a developer or provider of housing for individuals with a disability?

2. Does the applicant, or individual(s) on whose behalf the application is being made, have physical or mental impairments that substantially limit one or more of such person's major life activities? If so, please state the impairment(s) and provide documentation of such impairment(s).

3. From which specific Zoning Code provisions, policies or practices are you seeking an exception or modification?

Page 1 of 3

RECEIVED BY
PLANNING DEPARTMENT

MAY 27 2011

CITY OF NEWPORT BEACH

Answers To Questions Regarding Our Request For Reasonable Accommodation

1. Is this application being submitted by a person with a disability, that person's representative or a developer or provider of housing for individuals with a disability?

StepHouse Recovery Inc. is a provider of housing to persons in recovery from alcoholism and substance abuse.

2. Does the applicant, or individual(s) on whose behalf the application is being made, have physical or mental impairments that substantially limit one or more of such person's major life activities? If so, please state the impairment(s) and provide documentation of such impairment(s).

All residents of housing provided by StepHouse Recovery Inc. are persons in recovery from alcohol and substance abuse. Most residents of StepHouse Recovery Inc. are referred after completing a residential substance program. These individuals who are not referred directly from a residential treatment program have either completed a treatment program, or have been in recovery from alcoholism and substance abuse after completing a substance abuse treatment program or a detoxification program, or have been sober for a sustained period of time but are in need of safe and sober housing because they cannot live independently without fear of relapse.

3. From which specific Zoning Code provision, policies or practices are you seeking exception or modification?

StepHouse Recovery Inc. is requesting the City of Newport Beach, in consistency with Federal law, and acting on behalf of the "disabled", to treat its residents as a single housekeeping unit. StepHouse Recovery is applying for "Reasonable Accommodation" from the City's usual rules, policies and practices, and requesting exemption from NBMC 20.18.020 of the Newport Beach Municipal Code. This accommodation is necessary to afford the disabled individuals an equal opportunity to enjoy the dwelling. Therefore, we are setting forth the process of NBMC Chapter 20.52 by submitting an application for Reasonable Accommodation through the Planning Division.

4. Please explain why the specific exception or modification requested is necessary to provide one or more individuals with a disability an equal opportunity to use and enjoy the residence. Please provide documentation, if any, to support your explanation.

As individuals in recovery from alcoholism and substance abuse, through mutual support, present and future residents of StepHouse Recovery Inc. seek to live in a family type environment which would provide them with compassionate and therapeutic support during their recovery program. They are hopeful individuals learning abstinence from the temptations of alcohol and drugs. The residents are individuals who cannot live solely without the fear or threat of relapse into active alcoholism and substance abuse. The requested accommodation is necessary to provide an opportunity for the disabled residents of StepHouse Recovery Inc. to live in an environment which provides the individual a chance for recovery and gives them sufficient time for personal psychological progress while avoiding alcohol and other substances. Without the recovery atmosphere, the individual residents of StepHouse Recovery would not be able to live in a therapeutic environment that would be in a residential area, let alone a single-family, residential area. Habitation at

StepHouse Recovery Inc. provides a useful and essential public service by providing a safe and sober living environment, and provides the residents with a safe transition into society and a working environment. We believe our request for accommodation integrates with the definition of "family" and is necessary for the present and future residents of StepHouse Recovery "to enjoy the housing of his or her choice". The residents of StepHouse Recovery are not "transient" by nature and function and interact with each other in the same way as "the functional equivalent of a traditional family". By residing together as "the functional equivalent of a traditional family", and by living with others who are in recovery, the residents of StepHouse Recovery Inc. are able to band together and avoid the alcoholic's or addicted person's worst horror of isolation.

5. Please explain why the requested accommodation will affirmatively enhance the quality of life of the individual with a disability. Please provide documentation, if any, to support your explanation.

As residents in recovery from alcoholism and substance abuse present and prospective residents at StepHouse Recovery seek to live in a family type environment which would provide them with emotional and therapeutic support during the recovery process. The residents are individuals who cannot live independently without the fear or threat of relapse into active alcoholism and substance abuse. The requested an accommodation is necessary to achieve an opportunity for the disabled residents of StepHouse Recovery Inc. to live in a setting which is self-paced recovery option and gives them sufficient time for personal and psychological growth while avoiding the use of alcohol and other substances. This is a non-institutional residential environment which the residents willingly subject themselves to written rules and conditions, including the prohibition of alcohol and drug use, intended to encourage and sustain their recovery. Take away the sobriety recovery environment the individual residents at StepHouse Recovery Inc. would not be able to live in a supportive environment in a residential area, let alone a single-family residential area. Residency in StepHouse Recovery provides a useful and often times essential public service by providing a safe and sober living environment, so that residents can be reintroduced in the world and workplace. A request for accommodation to definition of "family" is necessary for the present and future residents of StepHouse Recovery "to have the option of his or her choice". The residents of StepHouse Recovery are not "transient" by nature and function and interact with each other much in the same way as "the functional equivalent of a traditional family." By living together as the "functional equivalent of a traditional family" and by living with each other persons who are in recovery, the residents of StepHouse Recovery never endure the alcoholics or addicts worst nightmare of being on their own and experiencing the horror of isolation.

6. Please explain how the individual with a disability will be denied an equal opportunity to enjoy the housing type of their choice absent the accommodation? Please provide documentation, if any, to support your explanation.

As individuals in recovery from alcoholism and substance abuse present and perspective residents of StepHouse Recovery seek to live in a family type environment which would provide them with emotional and therapeutic support during recovery the recovery process. The residents are individuals who cannot live independently without the fear or threat of relapse into active alcoholism and substance abuse. The requested accommodation is necessary to achieve as opportunity for the disabled residents of StepHouse Recovery to live in an environment which is self-paced recovery option and it gives them sufficient time for personal psychological growth while avoiding the use of alcohol and other substances.

Absent the sobriety environment, the individual residents of StepHouse Recovery would not be able to live in a supportive atmosphere in a residential area, let alone a single-family residential area. Residency at StepHouse Recovery provides a useful and often times essential public service by providing a safe and sober living environment, so that its residents can be reintegrated back into society and the workplace. Allowing multiple alcoholics/addicts to live together provides support in the recovery process, while lowering the cost of living for people who often have limited incomes. A request for accommodation is necessary for the present and future residents of StepHouse Recovery "to enjoy the housing his or her choice". By definition, "family", includes a group of individuals who are unrelated but who share common space, with common interest and pursuit emotional support. The residents of StepHouse Recovery are not "transient" by nature and function and interact with each other much the in the same way as "the functional equivalent of a traditional family." As the "functional equivalent of a traditional family and living with other persons who are in recovery, the residents of StepHouse Recovery never have to endure the alcoholics or addict's horror of isolation.

7. If the applicant is a developer or provider of housing for individuals with a disability, please explain why the requested accommodation is necessary to make your facility economically viable in light of the relevant market and market participants. Please provide documentation, if any, to support your explanation.

StepHouse Recovery Inc. pledges to provide adequate light, air and privacy to each residential client within the dwelling without being a nuisance to residents of the neighborhood. We will provide well-kept housing and reliable services (rent and bills paid) with moderately upscale features in the dwelling. A resident manager resides on-site to ensure that the resident clients comply with the house rules. We will also adhere to protecting residents from harmful effects of excessive noise, population density, traffic congestion and other adverse environmental effects. We want to comply and make certain that the fundamental purposes of Zoning Codes can be achieved, so that adverse secondary impacts from our residential care facility will not have any on the surrounding neighborhood and therefore not be mitigated. The dwelling will operate in a manner that is consistent and compatible with adjoining and surrounding properties. As such, permitting the dwelling to remain in its current location in the R-1 District would not undermine the basic purpose of this portion of the City's zoning program.

8. If the applicant is a developer or provider of housing for individuals with a disability, please explain why the requested accommodation is necessary for your facility to provide individuals with a disability an equal opportunity to live in a residential setting taking into consideration the existing supply of facilities of a similar nature and operation in the community. Please provide documentation, if any, to support your explanation.

Section 20.98.025(C) allows the City to consider the following factors in determining whether the requested accommodation will affirmatively enhance the quality of life of one or more individuals with a disability, the equal opportunity to enjoy a dwelling. StepHouse Recovery Inc. seeks to continue to house up to six disabled individuals plus one staff member in a four bedroom unit of a single family dwelling. The facility currently houses residents who could be denied housing if abatement proceeds while they are still in residence at the facility. Potential future residents seeking to integrate into a sober lifestyle by living in a small sober environment would be deprived of an opportunity to live in this type of dwelling situation.

Current and potential clients of StepHouse Recovery Inc. will be able to live in a dwelling in an R-1 District with other individuals in recovery from addiction. This is a situation that can affirmatively enhance the quality of life of a person in recovery from addiction. StepHouse Recovery pledges not to overcrowd the dwelling or interfere with the neighborhood as our residents re-integrate into society. The small size of the dwelling couple with a cul-de-sac environment enhances the therapeutic benefit and value of the residents of the dwelling. There are no known licensed or unlicensed residential care facilities in the area that we have observed with a small population located at a similarly significant distance from all other residential care facilities.

9. Please add any other information that may be helpful to the applicant to enable the city of determine whether the finding set forth in Chapter 20.98 can be made (Use additional pages if necessary.)

StepHouse Recovery has been the provider of housing at 2927 Paper Lane for recovering alcoholics and substance abusers since at since April 2010. We conduct our business in such a way so as not interfere with the quiet, peace and enjoyment of the neighborhood. Since StepHouse Recovery has been in operation, not a single resident has been charged with a crime, nor has there been any complaints from neighbors or any police contact at the residence. Allowing StepHouse Recovery to operate in this single-family district will not jeopardize the public health, safety, peace, morals, comfort or welfare of the neighbors, nor will it substantially impair or diminish property values in the neighborhood. Our goals are to provide a non-institutional residential environment in which the residents willingly subject themselves to written rules and conditions, including prohibition of alcohol and drug use. Our residents are encouraged to sustain their recovery by encouraging one another lead a life of sobriety. Certainly, for people with drug and alcohol problems sober housing has been found to be the best way to maintain sobriety. We have a mutual goal of keeping each other sober. We would also like for the neighborhood to retain its residential character. Meaning the parking is managed the commercial activities are limited, and neighbors respect neighbors(in terms of noise, clutter, debris, second hand smoke, profanity, and other nuisances).

Required submittals: In addition to materials required under other applicable provisions of this Zoning Code, an application for reasonable accommodation shall include all of the following:

- a. Documentation that the applicant is:

- (3) StepHouse Recovery Inc. is a provider of housing for one or more individuals with a disability.

- b. The Specific exception or modification to the Zoning Code provision, policy, or practices requested by the applicant.

The requested accommodation being applied for by StepHouse Recovery Inc. is requested by or on behalf of one or more individuals with a disability as protected under Fair Housing Laws. StepHouse Recovery Officers are willing to testify under the penalty of perjury that

every resident at the facility is in recovery from alcohol and/or drug addiction. Federal regulations and case law have defined recovery from alcoholism and drug addiction as a disability, because it is a physical or mental condition that substantially impairs one or more major life skills.

- c. Documentation that the specific exception or modification requested by the applicant is the minimum necessary to provide one or more individuals with a disability an equal opportunity to use and enjoy the residence.

Section 20.98.025(C) allows the City to consider the following factors in determining whether the requested accommodation will affirmatively enhance the quality of life of one or more individuals with a disability, the equal opportunity to enjoy a dwelling. StepHouse Recovery Inc. seeks to continue to house up to six disabled individuals plus one staff member in a four bedroom unit of a single family dwelling. The facility currently houses residents who could be denied housing if abatement proceeds while they are still in residence at the facility. Potential future residents seeking to integrate into a sober lifestyle by living in a small sober environment would be deprived of an opportunity to live in this type of dwelling situation. Current and potential clients of StepHouse Recovery Inc. will be able to live in a dwelling in an R-1 District with other individuals in recovery from addiction. This is a situation that can affirmatively enhance the quality of life of a person in recovery from addiction. StepHouse Recovery pledges not to overcrowd the dwelling or interfere with the neighborhood as our residents re-integrate into society. The small size of the dwelling couple with a cul-de-sac environment enhances the therapeutic benefit and value of the residents of the dwelling. There is no known licensed or unlicensed residential care facilities in the area that we have observed with a small population located at a similarly significant distance from all other residential care facilities. StepHouse Recovery's request for only six resident clients plus on supervisory staff in a four bedroom dwelling further reduces the likelihood that the neighborhood institutionalization or facility overcrowding will interfere with its residents' re-integration and recovery. StepHouse Recovery pledges to provide well-kept housing and reliable services (rent and bills paid) with moderately upscale features in the dwelling. A resident manager resides on-site to ensure that the resident clients comply with the house rules.

20.52.030 - Conditional Use Permits In Residential Zoning Districts

D. Application contents 20.50 (permit application Filing and Processing)

1. StepHouse Recovery Inc.
2927 Paper Lane
Newport Beach, CA 92660

Lessee

George Vilagut
356 5th Street
Huntington Beach, CA 92648
Phone 714-394-3494

Owner

Daniel Henry
P.O Box 10639
Newport Beach CA 92658
Phone 949-500-8666

Officers of Company

George Vilagut, President (Controlling Interest 55%)
356 5th Street
Huntington Beach, CA 92648
Phone 714-394-3494

Matthew Harrison, Chief Operation Officer (Controlling Interest 45%)
2927 Paper Lane
Newport Beach, CA 92660
Phone 949-528-7858

C. Individual designated as indentified in resolution of corporation to be the
Permit holder of Conditional Use Permit is George Vilagut

2. Characteristics of proposed use.

The dwelling will be used for residential extended care for a maximum of 6 clients and one Staff/House manager. Activities provided on site will include a 12-step book study and house meeting held weekly mandatory for all house residents.

3. Anticipated Users.

Resident clients (up to 6), staff (1 residing), guests on weekends (parents & family)

4. List of similar uses operated by applicant in the state of California.

StepHouse Recovery Inc.
981 Begonia Ave.
Costa Mesa, CA 92626

This residential care facility has not been found to ever operate in violation of federal, state, or local law by federal, state or local authorities.

5. List of similar uses within the City.

None

6. License and permit history.

None

7. Location Map

Lot 8 Tract 3068 R-1 Zoning

8. Operations and Management Plan.

NBMC section 20.10.010 sets forth parameters for public health and safety established by Municipal Code. StepHouse Recovery Inc. pledges to provide adequate light, air and privacy to each residential client within the dwelling without being a nuisance to residents of the neighborhood. We will also adhere to protecting residents from harmful effects of excessive noise, population density, traffic congestion and other adverse environmental effects. We want to comply and make certain that the fundamental purposes of Zoning Codes can be achieved, so that adverse secondary impacts from our residential care facility will not have any on the surrounding neighborhood and therefore not be mitigated. The dwelling will operate in a manner that is consistent and compatible with adjoining and surrounding properties. As such, permitting the dwelling to remain in its current location in the R-1 District would not undermine the basic purpose of this portion of the City's zoning program.

Due to the small size and resident population (cul-de-sac) of this four bedroom facility, the density of this use is consistent with the density that would be produced by other occupants of two family residential districts. In addition, with no similar uses nearby, and a resident manager who supervises the clients full-time, the facility will operate in a manner that is consistent and compatible with adjoining and surrounding properties. As such, permitting the facility to remain in its current location in the R-1 District would not undermine the basic purpose of this portion of the City's zoning program.

Should the City provide StepHouse Recovery with a Use Permit, NBMC Section 20.91A.010 sets forth the purposes of requiring use permits in residential districts. The first stated purpose is "to promote the public health, safety, and welfare and to implement the goals and policies of the Newport Beach General Plan by ensuring that conditional uses in residential neighborhoods don not change the character of such neighborhoods as primarily residential communities. The second purpose is to "protect and implement the recovery and residential integration of the disabled, including those receiving treatment and counseling in connection with dependency recovery.

StepHouse Recovery's request for exemption is narrowly tailored to enable facility residents to enjoy the housing type of their choice without depriving the surrounding neighborhood of reasonable conditions that mitigate any adverse secondary impacts that discharge from the facility. Granting the requested accommodation will not undermine the basic purpose of the Use Permit for the following reasons: (a) StepHouse Recovery will comply with substantially all of NBMC's requirements to receive a Use Permit, the purpose of those requirements is not undermined, and (b) through the reasonable accommodation process, we are open to additional conditions of approval that may be imposed by a Hearing Officer so as to mitigate any negative secondary impacts on neighboring properties.

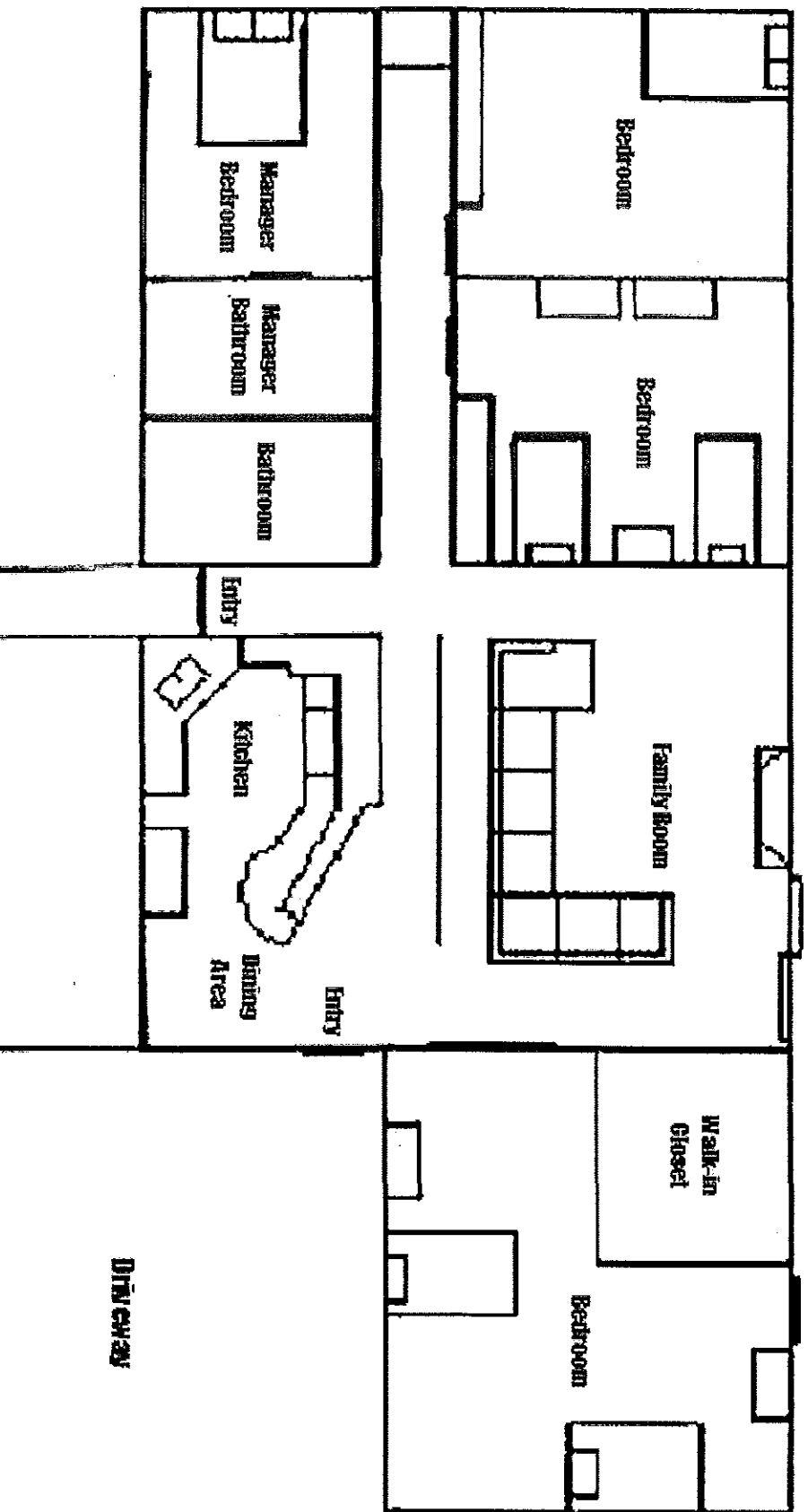
The dwelling at 2927 Paper Lane presents the following characteristics:

1. Very limited resident client capacity – six beds only.
2. Live-in-resident supervisor, constant resident supervision provided on a one-to-six ratio.
3. Number of bedrooms (four) and on-site long driveway allowing up to five parking spots allocated inside of the dwelling property, thereby there is no problem conforming to on-site parking requirements.
4. No other residential care use that we are aware of within a two-block area.

5. No complaints received by the City in relation to any residential care use at this location.
6. Facility has been in use at this similar size for similar clientele for 13 months.
7. StepHouse Recovery management pledges vigilance to avoiding adverse secondary impacts such as noise, overcrowding, excessive second-hand-smoke, and unruly behavior by residents to the detriment of neighbors.
8. Quiet Hours of 10pm to 8:00am including television use.

**2927 Paper Lane
Newport Beach, CA 92660**

Garage





CITY OF NEWPORT BEACH

Supplemental Information for Reasonable Accommodation for Providers of Housing

Planning Department
3300 Newport Boulevard
Newport Beach, California 92658-8915
(949) 644-3200

Application Number _____

If you are a provider of developer or provider of housing for individuals with a disability and are seeking a reasonable accommodation, please provide the following information with regard to your request. If you have already submitted this information to the City in conjunction with a different application, you can submit copies of the information previously provided.

A. Your Firm's Current Uses. Do you or your firm (or any entity or person affiliated with you or your firm) currently operate, manage, or own other group residential uses in Newport Beach?

☐ Yes ☒ No

If yes, cite address(es) of facility(ies) (attach more pages if necessary):

EXAMPLE:

1234 Main Street, Newport Beach	Unlicensed "Sober Living"	7
Site Address	Type of Use	Bed
Capacity		
2927 Paper Lane, Newport Beach	Unlicensed "Sober Living"	6
Site Address	Type of Use	Bed
Capacity		
Site Address	Type of Use	Bed
Capacity		
Site Address	Type of Use	Bed
Capacity		
Site Address	Type of Use	Bed
Capacity		

B. Other Similar Uses. What uses, not operated by or affiliated with you or your firm, are of a similar type as your proposed use here in Newport Beach? Please cite address(es) of facility(ies) (attach more pages if necessary):

EXAMPLE:

1234 Main Street, Newport Beach	Unlicensed "Sober Living"	7
Site Address	Type of Use	Bed
Capacity		
Site Address	Type of Use	Bed
Capacity		
Site Address	Type of Use	Bed
Capacity		
Site Address	Type of Use	Bed
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Capacity		
Site Address	Type of Use	Bed
Capacity		

Our mission is to be the premier provider of sober living housing by providing an alcohol- and drug-free residence in a clean, safe and supportive environment. Our residents will be adult alcoholics and addicts who are motivated to continue their recovery, committed to staying sober, and agree to remain active in their recovery program.

Prospective Residents

1. Qualifications – To be considered for admittance, prospective residents shall possess the following: a desire to stay sober, ability to get along with others, agree to abide by all house rules, a willingness to work their program, and the ability to meet financial requirements.

2. Screening – All prospective residents shall pass an interview with at least one Stephouse Recovery Inc. coordinator. Photo identification must be available. Verification of financial responsibility may be required. If applicant does not meet requirements for admission, they will be referred to the Stephouse Recovery Inc. Network referral number at 800-799-2084.

3. Application form – A copy of the new resident application form must be completed in its entirety. The Stephouse Recovery Inc. reserves the right to contact and/or verify any reference provided on the application form. A copy of the completed and signed application form, the signed Guest agreement, criminal history verification form, and a copy of the resident's photo identification shall be placed in the resident's file.

The Stephouse Recovery Inc. accepts individuals with drug and/or alcohol dependencies who are clean and sober, at least 18 years of age, not a danger to themselves or to others and who are ambulatory and can take care of themselves. Prospective clients must be involved in a 12-step program of their choice and be active in their recovery.

The Stephouse Recovery Inc. will not deny membership to anyone on the basis of race, ethnic background, national origin, creed, religious affiliation, marital status or sexual orientation.

The Stephouse guests are required to maintain their admission requirements throughout their stay and submit to random testing and adhere to The Stephouse rules.

RECEIVED BY
PLANNING DEPARTMENT

MAY 27 2011

The Stephouse Recovery Inc.
2927 Paper Lane
Newport Beach, CA 92660
(714) 394-3494 • (714) 528-7858
www.Stephouserecovery.com

ALCOHOL AND DRUG-FREE RESIDENT AGREEMENT

The undersigned acknowledges and understands that he is living in an alcohol and other drug-free shared housing, managed by the residents living together as a family of persons with disabilities. The undersigned understands that they reside in a congregate housing situation and not in an exclusive unit or space. The undersigned understands they do not reside as a tenant with rights or possession of housing space exclusively until 5/26/2011.

The undersigned resident agrees to participate in and abide by the policies, rules and regulations of The Stephouse Recovery Inc. The undersigned agrees to vacate from the shared housing accommodations when alcohol and/or illicit drugs are used or by not abiding these cardinal rules.

The undersigned agrees to pay a shared housing fee of \$000/month. Fee payments are non-refundable. Resident fees include utilities and maintenance service. The monthly shared housing fee is due the 1st day of every month, may be pro-rated dependent upon admittance. There will be a \$25 a day late fee assessed after the 5th of the month.

All residents agree to the following cardinal rules as a condition of residency:

1. Remain alcohol and other drug free. This includes selling, possession, or consumption. Physical and mental health medication drugs are allowed but must be included in the resident application.
2. No violence or threats of violence or the possession of weapons.
3. Maintain their space in a clean, healthy, orderly and safe manner.
4. Smoking is permitted in designated areas only.
5. Absolutely no fraternizing with other house guests or Stephouse Recovery Inc. employees.

All spaces are properly furnished and are kept clean and orderly. The Stephouse Recovery Inc. manages the utility use, furnishings, maintenance, and upgrade of all lodging spaces. Each resident provides their own food, toiletries, electronics and personal needs.

The undersigned releases the Management and The Stephouse Recovery Inc, from any liability related to the conditions of the agreement.

Name

Date

Signature5

POLICIES AND PROCEDURES

The Stephouse Recovery Inc. management has found the following rules workable and that acceptance of these rules is essential. Management reserves the right to change or make additions to the house rules at any time. Management also has the right to interpret and apply the rules at their own discretion and may do so differently from case to case. These rules may be amended or modified at the weekly house meeting.

- Policy Prohibiting Alcohol and Non-Prescribed Drugs – Alcohol, illegal drug, or non-prescribed drug use or possession are **strictly prohibited**. Any resident who is found to have used, is under the influence of, or in possessions of alcohol or illicit drugs will be immediately required to move out and stay out of that house for a minimum of 30 days. ALL RESIDENTS MAY BE SUBJECT TO RANDOM DRUG SCREENS, BREATHALYZER and/or ROOM SEARCHES. If you refuse a search or test, or if drugs or alcohol are found or detected, automatic discharge will result. Under no circumstances shall a resident who is under the influence be allowed in the house. Management shall pack their bags for them. When sober, the resident can arrange with the office to retrieve personal property.
- Prescription Drug Policy – All prescription and over-the-counter medications being taken must be disclosed to management; any resident on prescription medication will be provided a lock box. It is the resident's responsibility to notify management when there is a change to their medications. If a resident is prescribed psychotropic medications, the resident must continue taking them to stay in the house. Prescription medications must be taken in the dosage and frequency as prescribed. Abuse of medication can be considered a relapse. Taking or possessing prescription drugs that are prescribed to someone else is prohibited.
- Agree and understand that a condition for being a Guest at The Stephouse Recovery Inc. is to be gainfully employed, actively seeking work, in treatment, attending school, or other activities to enhance my future.
- Agree to rise at a reasonable time based upon work/school schedule, be dressed, make bed, clean immediate area, and to have house chores completed as scheduled.
- Agree not to enter another Guest room/area without permission. No contact with Ex-Guests that have been discharged due to relapse infractions.

- Agree to no romantic or sexual relationship with another guest of The Stephouse Recovery Inc, and understand that to do so could result in immediate discharge. Agree to not have any association with any known drug or alcohol offender(s), nor frequent places where drugs are sold, used or are accessible.
- Agree to no threats, physical violence, possession of weapons, stealing or vandalism of house/guest property.
- Agree to be respectful of others upon entering The Stephouse.
- Agree that if I leave The Stephouse Recovery Inc. for more than 24 hours, I am subject to discharge, my guest fees are forfeited and personal belongings held for only 30 days (excluding food products) then discarded or donated to charity. A per week storage fee will be charged for personal belongings after guest fees expire.
- Agree to drive only with a valid driver's license, current registration and minimum auto insurance required by California law.
- Agree to be responsible for own personal property; maintain immediate area with a limited amount of personal items, pictures and knick-knacks.
- Agree to make an effort to be compatible with other guests. If behavior becomes unacceptable, it could result in my immediate discharge from The Stephouse Recovery Inc.
- Agree not to bring "Any" pet of "Any" kind on premises.
- Your monthly cost is payable on or before it is due.
- Cleanliness starts with yourself. Shower daily and keep your personal living area clean and orderly. Be considerate of your roommates and others. Wash your clothes and bedding regularly. Laundry hours are from 9:00 am to 10:00 pm.
- Each house must be kept clean and tidy. This is done by the assignment of chores; all are assigned chores on a weekly rotation basis. Your chores must be done daily! Every effort must be made to complete chores as early as possible in the day. If you have a 24-hour pass, assigned chores must be done before leaving. Guests not complying with these requirements will be asked to leave.
- Cleanliness is a must! Clean up after yourself in the bathroom, kitchen, living room and patio. Do not leave dishes in the sink or any other area of the house. Clean them and stow them in your allocated space. Wipe the counter and stove clean after using them.

- Lock doors and windows when leaving. The front door will be locked at all times. Do not unlock the door to anyone you do not know. That includes neighbors. Always check with the house manager.
- Attitude and Behavior: a good positive attitude is important. Guests with a continuously poor attitude toward Staff, or to other members, will be asked to leave. Guests are expected to abide by any reasonable request made by staff. Guests must not go into private space of others without that person's permission. Keep window curtains drawn while dressing and in the evening. DO NOT go out the front of the house unless fully dressed. Be considerate of roommates and others with respect to such as noise, lights and privacy.
- Respect others' property. NO STEALING! Theft is cause for immediate expulsion and may result in legal proceedings.
- The house must be a safe place to live. Threatening or dangerous behavior and/or deliberate abuse to house property will be cause for immediate expulsion and may result in legal proceedings.
- Managers are the only persons allowed to bring mail in from the mailbox. Mail will be held for a maximum of 7 days, and will then be returned to the Postal Service.
- Automobiles on the property – Drivers must be licensed and insured. Cars must have current registration. Auto repair on the premises is not permitted without management permission.
- Suggested meetings for all guests: Three 12-Step meetings and or Bible Study, along with weekly house solutions meetings.
- If you have anything that you consider of value: PS3, radio, jewelry, etc., do NOT keep them here; The Stephouse is NOT responsible for lost or stolen property.
- Personal property is brought into the house at your own risk. Lending or borrowing from another guest is to be avoided. Personal property left at the house seven (7) days after discharge will be donated to the house. If contact is made with staff prior to 7 days, property will be held up to fifteen (15) days maximum.
- Smoking is permitted only in designated areas. Smoking is not allowed inside the house or in front of the house. Do not leaving burning cigarettes unattended. Dispose of your ash and cigarette butts in the safe-disposal butt cans.
- Agree to be in good medical health, free of communicable diseases that put others at risk of contraction during casual contact.

- Bottled water ONLY is allowed in the bedrooms and the living rooms.
- Fire and Earthquake Safety – Read and understand the posted information on Fire and Earthquake. You must become familiar with the designated escape routes, safe gathering locations and the need for a safe location head count. Fire and earthquake drills will be conducted at regular intervals. Fire prevention is everyone's concern and responsibility. Practice safe habits, smoke only in designated areas, and be aware of the fire extinguisher locations, and how to use them for small fires only. Know how and when to call 911. Emergency information and a head-count in/out board are posted near the front door.
- Curfew – Curfews must be followed unless other arrangements are made in advance with management. Sunday through Thursday curfew is 10pm. Friday and Saturday curfew is 12:00 am.
- Overnight Passes – May be given on a case-by-case basis as determined by management.
- Stereos – Personal stereos are permitted in the house and may be played with reasonable volume.
- House Meetings – Participation in the weekly house solutions meeting is mandatory. Additional meetings may be called when a situation warrants.
- Residents are expected to pick up after themselves and clean appliances after use. Dishes, cups, utensils are to be washed or loaded in the dishwasher immediately after use. Personal belongings and trash shall not be left out in the house.
- Bedrooms – Residents are expected to keep their bedrooms clean and neat at all times. Beds must be made each morning. On Monday through Friday residents are encouraged to be up and out of bed by 8 am. Only those residing in a given room and management may enter that room. Management has the right to enter any room at any time. Food is not to be stored or consumed in bedrooms.
- Behavior – Behavior that is not conducive to recovery will not be tolerated. This includes, but is not limited to: sexual activity on premise, fighting, stealing, lying, intimate relations between residents and poor attitude. The living room, library, dining room, kitchen and yard are common areas. Rules of common courtesy, respect, cleanliness, and cooperation are in order. Residents are expected to be good neighbors, not just "non-disturbing" neighbors.
- Visitation Policy – NO WOMEN ALLOWED IN HOUSE. Guests are allowed in the house between the hours of 9:00 am and 10 pm. Guests must abide by all house rules and are expected to be clean, courteous, and sober at all times. Guests may not stay overnight. Guests must be escorted by the house resident, who is responsible for the guest while in the house. Guests are not

allowed in any bedroom. Guests will be required to vacate the property for any violation of house rules or procedures.

- Eviction – Guests can be asked to vacate premises without notice at anytime. Lodging fees are paid in advance and are nonrefundable.
- Chain-of-Command – All resident questions, concerns and comments are to be directed to the House Managers first before being brought to the attention of the directors.
- Moving – Residents may move to a different bed when a bed opens up, based on seniority.
- Emergencies – The police should be called only in the case of real emergencies. Call 911 for medical emergencies. If possible, the House Managers and Directors should be informed first.
- Events – Periodic events may be sponsored by management. These can include barbecues, holiday dinners, etc. Resident sponsored events are allowed with prior authorization from the office.
- Guest Fees – Guest fees are to be paid in advance and are non-refundable. Guest fees are due on the first of each month unless other arrangements are made in advance. A late fee may be assessed and/or the resident may be asked to move out. It is the resident's responsibility to contact the appropriate person in the office to make payment or to make arrangements for payment. Director has final authority regarding payment plans.
- Relapse – A resident who relapses (uses alcohol or drugs) will be asked to immediately vacate the house and may not move back into that house for a minimum of 30 days.
- Deposit – The Stephouse requires a \$100 move-in fee, the fee covers administrative processing costs and normal wear to Stephouse furnishings. 1. Guest gives at least a two-week notice of departure. 2. Guest leaves the room in the same condition it was let.
- Confidentiality – The Stephouse is not bound by any rules of confidentiality with regard to client information. The Stephouse will fully cooperate with and share information with law enforcement personnel, including parole and probation officers.

THE STEPHOUSE management has found the following rules workable and that acceptance of these rules is essential. Management reserves the right to change or make additions to the house rules at any time. Management also has the right to interpret and apply the rules at their own discretion and may do so differently from case to case. These rules may be amended or modified at the weekly house meeting.

Policy Prohibiting Alcohol and Non-Prescribed Drugs – Alcohol, illegal drug, or non-prescribed drug use or possession are **strictly prohibited**. Any resident who

is found to have used, is under the influence of, or in possessions of alcohol or illicit drugs will be immediately required to move out and stay out of that house for a minimum of 30 days. ALL RESIDENTS MAY BE SUBJECT TO RANDOM DRUG SCREENS, BREATHALYZER and/or ROOM SEARCHES. If you refuse a search or test, or if drugs or alcohol are found or detected, automatic discharge will result. Under no circumstances shall a resident who is under the influence be allowed in the house. Management shall pack their bags for them. When sober, the resident can arrange with the office to retrieve personal property.

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Agree and understand that a condition for being a Guest at The Stephouse is to be gainfully employed, actively seeking work, in treatment, attending school, or other activities to enhance my future.

Agree to rise at a reasonable time based upon work/school schedule, be dressed, make bed, clean immediate area, and to have house chores completed as scheduled.

Agree not to enter another Guest room/area without permission. No contact with Ex-Guest that have been discharged due to relapse infraction.

Agree to no romantic or sexual relationship with another guest of The Stephouse, Recovery Inc. and understand that to do so could result in immediate discharge. Agree to not have any association with any known drug or alcohol offender(s), nor frequent places where drugs are sold, used or are accessible.

Agree to no threats, physical violence, possession of weapons, stealing or vandalism of house/guest property.

Agree to be respectful of others upon entering The Stephouse Recovery Inc.

Agree that if I leave The Stephouse Recovery Inc for more than 24 hours, I am subject to discharge, my guest fees are forfeited and personal belongings held for only 30 days (excluding food products) then discarded or donated to charity. A per week storage fee will be charged for personal belongings after guest fees expire.

Agree to drive only with a valid driver's license, current registration and minimum auto insurance required by California law.

Agree to be responsible for own personal property; maintain immediate area with a limited amount of personal items, pictures and knick-knacks.

Agree to make an effort to be compatible with other guests. If behavior becomes unacceptable, it could result in my immediate discharge from The Stephouse Recovery Inc.

Agree not to bring "Any" pet of "Any" kind on premise.

Your monthly cost is payable on or before it is due.

Cleanliness starts with yourself. Shower daily and keep your personal living area clean and orderly. Be considerate of your roommates and others. Wash your clothes and bedding regularly. Laundry hours are from 9:00 am to 10:00 pm.

Each house must be kept clean and tidy. This is done by the assignment of chores, all are assigned chores on a weekly rotation basis. Your chores must be done daily! Every effort must be made to complete chores as early as possible in the day. If you have a 24-hour pass, assigned chores must be done before leaving. Guests not complying with these requirements will be asked to leave.

Cleanliness is a must! Clean up after yourself in the bathroom, kitchen, living room and patio. Do not leave dishes in the sink or any other area of the house. Clean them and stow them in your allocated space. Wipe the counter and stove clean after using them.

Lock doors and windows when leaving. The front door will be locked at all times. Do not unlock the door to anyone you do not know. That includes neighbors. Always check with the house manager.

Attitude and Behavior: a good positive attitude is important. Guests with a continuously poor attitude toward Staff, or to other members, will be asked to leave. Guests are expected to abide by any reasonable request made by staff. Guests must not go into private space of others without that person's permission. Keep window curtains drawn while dressing and in the evening. DO NOT go out the front of the house unless fully dressed. Be considerate of roommates and others with respect to such as noise, lights and privacy.

Respect others' property. NO STEALING! Theft is cause for immediate expulsion and may result in legal proceedings.

The house must be a safe place to live. Threatening or dangerous behavior and/or deliberate abuse to house property will be cause for immediate expulsion and may result in legal proceedings.

Managers are the only persons allowed to bring mail in from the mailbox. Mail will be held for a maximum of 7 days, and will then be returned to the Postal Service.

Automobiles on the property – Drivers must be licensed and insured. Cars must have current registration. Auto repair on the premises is not permitted without management permission.

Telephone use: There is a ten-minute time limit to any call on the house phone; (10 minutes on then 10-minutes off)! All guests answering the phone will call the guest asked for or will take a message and place it in the appropriate slot. Do not give any phone callers names or information about guest.

Suggested meetings for all guests: Three 12-Step meetings and or Bible Study, along with weekly house solutions meetings.

If you have anything that you consider of value: PS3, radio, jewelry, etc., do NOT keep them here; The Stephouse Recovery Inc. is NOT responsible for lost or stolen property.

Personal property is brought into the house at your own risk. Lending or borrowing from another guest is to be avoided. Personal property left at the house seven (7) days after discharge will be donated to the house. If contact is made with staff prior to 7 days, property will be held up to fifteen (15) days maximum.

Smoking is permitted only in designated areas. Smoking is not allowed inside the house or in front of the house. Do not leaving burning cigarettes unattended. Dispose of your ash and cigarette butts in the safe-disposal butt cans.

Agree to be in good medical health, free of communicable diseases that put others at risk of contraction during casual contact.

Bottled water ONLY is allowed in the bedrooms and the living rooms.

Fire and Earthquake Safety – Read and understand the posted information on Fire and Earthquake. You must become familiar with the designated escape routes, safe gathering locations and the need for a safe location head count. Fire and earthquake drills will be conducted at regular intervals. Fire prevention is everyone's concern and responsibility. Practice safe habits, smoke only in designated areas, and be aware of the fire extinguisher locations, and how to use them for small fires only. Know how and when to call 911. Emergency information and a head-count in/out board are posted near the front door.

Curfew – Curfews must be followed unless other arrangements are made in advance with management. Sunday through Thursday curfew is 12:00 am. Friday and Saturday curfew is 2:00 am.

Overnight Passes – May be given on a case-by-case basis as determined by management.

Stereos – Personal stereos are permitted in the house and may be played with reasonable volume.

House Meetings – Participation in the weekly house solutions meeting is mandatory. Additional meetings may be called when a situation warrants.

Residents are expected to pick up after themselves and clean appliances after use. Dishes, cups, utensils are to be washed or loaded in the dishwasher immediately after use. Personal belongings and trash shall not be left out in the house.

Bedrooms – Residents are expected to keep their bedrooms clean and neat at all times. Beds must be made each morning. On Monday through Friday residents are encouraged to be up and out of bed by 8 am. Only those residing in a given room and management may enter that room. Management has the right to enter any room at any time. Food is not to be stored or consumed in bedrooms.

Behavior – Behavior that is not conducive to recovery will not be tolerated. This includes, but is not limited to: sexual activity on premise, fighting, stealing, lying, intimate relations between residents and poor attitude. The living room, library, dining room, kitchen and yard are common areas. Rules of common courtesy, respect, cleanliness, and cooperation are in order. Residents are expected to be good neighbors, not just "non-disturbing" neighbors.

Visitation Policy – NO WOMEN ALLOWED IN HOUSE. Guests are allowed in the house between the hours of 9:00 am and 10:00 pm. Guests must abide by all house rules and are expected to be clean, courteous, and sober at all times. Guests may not stay overnight. Guests must be escorted by the house resident, who is responsible for the guest while in the house. Guests are not allowed in any bedroom. Guests will be required to vacate the property for any violation of house rules or procedures.

Eviction – Guests can be asked to vacate premises without notice at anytime. Lodging fees are paid in advance and are nonrefundable.

Chain-of-Command – All resident questions, concerns and comments are to be directed to the House Managers first before being brought to the attention of the directors.

Moving – Residents may move to a different bed when a bed opens up, based on seniority.

Emergencies – The police should be called only in the case of real emergencies. Call 911 for medical emergencies. If possible, the House Managers and Directors should be informed first.

Events – Periodic events may be sponsored by management. These can include barbecues, holiday dinners, etc. Resident sponsored events are allowed with prior authorization from the office.

Guest Fees – Guest fees are to be paid in advance and are non-refundable. Guest fees are due on the first of each month unless other arrangements are made in advance. A late fee may be assessed and/or the resident may be asked to move out. It is the resident's responsibility to contact the appropriate person in the office to make payment or to make arrangements for payment. Director has final authority regarding payment plans.

Relapse – A resident who relapses (uses alcohol or drugs) will be asked to immediately vacate the house and may not move back into that house for a minimum of 30 days.

Deposit – The Stephouse Recovery Inc. requires a \$100 Processing Fee due at move-in for administrative costs and normal wear to Stephouse furnishings.
1. Guest will give at least a two-week notice of departure. 2 Guest leaves the room in the same condition it was let.

Confidentiality – The Stephouse Recovery Inc. is not bound by any rules of confidentiality with regard to client information. The Stephouse Recovery Inc. will fully cooperate with and share information with law enforcement personnel, including parole and probation officers.

SOBER LIVING AGREEMENT

I, _____, certify by my signature on this document that I understand and acknowledge that The Stephouse Recovery Inc. is an alcohol- and drug-free shared housing property managed by The Stephouse Recovery Inc. If accepted into this program and for as long as I remain in the program, I expressly understand that I shall reside in the standing of a lodger sharing a housing unit and not as a tenant with rights or exclusive possession of space.

I. Legal History

1. The Stephouse Recovery Inc. does not accept persons with a history of arson, sex-offenses, animal abuse, or those on methadone-maintenance. Do any of these apply to you?
_____ Yes _____ No
2. Are you currently on probation, parole or have any pending court cases? If yes, answer questions 3-6. If no, skip to the next section II.
_____ Yes _____ No
3. Describe any offenses for which you are on probation or parole and note any court dates pending. Use an additional sheet and attach if necessary.

4. What type of probation or parole are you subject to? (IPS, level, etc.)

5. Do you have a community service requirement (depending on availability, community service may be performed on-site)?
_____ Yes _____ No
6. Enter the date on which you will be released (MM/DD/YYYY): _____
7. List your probation/parole officer (PO) contact information:
PO Name: _____
Office Address: _____

Phone (indicate desk or mobile): _____
Fax (optional): _____
E-mail (optional): _____

II. Substance Abuse History – Complete if applicable.

1. What is your drug of choice (include alcohol)?

2. The Stephouse Recovery Inc. suggests a minimum of five 12-step Meetings (AA, CA, CMA, Smart Recovery, etc.) per week. Is this something you will be able to maintain?

_____ Yes _____ No

3. Urine analysis may be performed randomly or if you are suspected of drug or alcohol use. Do you agree to submit to U.A. analysis as required?

_____ Yes _____ No

III. Employment

1. I understand and acknowledge that employment, enrollment in school, volunteering or something proactive to further your recovery, is a requirement for resident status at The Stephouse Recovery Inc.?

_____ Yes _____ No

2. I understand and acknowledge that failure to be proactive within a reasonable period of time will result in termination from the program. "Reasonable" will be determined by The Stephouse Recovery Inc. based on the verifiable effort.

_____ Yes _____ No

3. I have a source of income to pay my program-fees while searching for a job (for example: family assistance, organizations such as Project Home, Cope or CODAC).

_____ Yes _____ No

If yes, describe the assistance and amount:

IV. Important House Rules:

1. All new residents will abide by a 10:00 pm curfew Sunday through Thursday and a 12:00 am curfew on Fridays and Saturdays. The Stephouse Recovery Inc. will approve any exceptions and particularly accommodate exceptions due to work schedules.
2. The Stephouse Recovery Inc. will assign weekly chores and I acknowledge that completion of my chore is mandatory and failure to do so may affect my residence status.
3. I understand that harassment of any kind, either verbal or physical, toward another resident or The Stephouse Recovery Inc. staff-member will not be tolerated and will result in my immediate termination from the program without exception.
4. I understand that the objective of entering the program at The Stephouse Recovery Inc. is *change*. I understand that any behavior that can be discerned by The Stephouse Recovery Inc. staff as gang-related, criminal, offensive, or judged as "street behavior" will result in my termination.
5. I acknowledge that, if I chose to leave or am terminated from the program, The Stephouse Recovery Inc. does not have an obligation nor the facilities to store any personal belongings I may leave behind and that any such belongings will be donated or disposed of 72 hours after my departure or termination.
6. Every resident is expected to clean up after himself and keep his area neat and orderly. Residents will do their own dishes and clean up the kitchen after preparing meals. I understand this and realize that failure to do so will result in disciplinary action, such as withdrawal of privileges or possible termination from the program.
7. I understand that failure to report by evening curfew for 48 hours without contacting The Stephouse Recovery Inc. with a reasonable explanation will result in termination from the program and forfeiture of any program fees paid to The Stephouse Recovery Inc.
8. I understand that program fees are non-refundable. Emergency situations that cause a resident to leave the program will be examined on a case-by-case basis and a pro-rated refund may be granted.

V. Meals, Health, Personal Hygiene and Toiletries

1. I understand that I will supply my own food and prepare my own meals.
2. I understand that residents will maintain their personal hygiene and appearance and will shower daily. Failure to do so will result in termination from the program.
_____ Yes _____ No
3. By my signature below, I certify that the answers, statements, and/or information I provided on the preceding pages are true and accurate. I acknowledge that any false statements given or omissions of material fact may result in termination from the program.

Resident Signature: _____ *Date:* _____

Resident Name (please print): _____

The Stephouse Recovery Inc. Signature: _____

Date: _____

The Stephouse Recovery Inc. Representative's

Name (please print): _____

Resident Application

ADMIT DATE: _____

NAME: _____

CURRENT ADDRESS: _____

Address Line 1 _____

Address Line 2 _____

City, State, Zip _____

PERSONAL

SOCIAL SECURITY # _____ DRIVER'S LICENSE # _____

VETERAN: YES NO BIRTHDATE: _____ ETHNICITY: _____

MARITAL STATUS: SINGLE MARRIED SEPARATED DIVORCED

ADDRESS (OF REFERRENT): _____

WORK PHONE (OF REFERRENT): _____

IN CASE OF EMERGENCY

NAME: _____ RELATIONSHIP _____

ADDRESS: _____

TELEPHONE (Home): _____ (Work): _____

NAME: _____ RELATIONSHIP _____

ADDRESS: _____

TELEPHONE (Home): _____ (Work): _____

RECOVERY INFORMATION

DID YOU USE: DRUGS ALCOHOL BOTH

LIST DRUGS USED IN LAST THREE YEARS: _____

I HAVE BEEN CLEAN AND SOBER SINCE: _____

NAME OF RECOVERY PROGRAM(S): _____

MY COUNSELOR THERE WAS (NAME): _____

HEALTH INFORMATION

MY LAST PHYSICAL CHECKUP WAS ON: _____

I AM TAKING THE FOLLOWING MEDICATION: _____

LIST ANY MEDICAL PROBLEMS: _____

NAME OF INSURANCE COMPANY: _____ POLICY NUMBER: _____

PERSONAL PHYSICIAN: _____ PHONE NUMBER: _____

PHYSICIAN ADDRESS: _____

ALLERGIES: _____

REFERENCES

NAME/TITLE: _____ PHONE NUMBER: _____
NAME/TITLE: _____ PHONE NUMBER: _____
SPONSOR: _____ PHONE NUMBER: _____
AFTERCARE: _____ PHONE NUMBER: _____
HOW DID YOU HEAR ABOUT THE STEPHOUSE? _____

LEGAL

COURT: _____ COURT DATE: _____
PROBATION OFFICER: _____ PHONE NUMBER: _____
ATTORNEY: _____ PHONE NUMBER: _____

YOUR PLACE OF EMPLOYMENT

COMPANY NAME: _____ JOB TITLE: _____
COMPANY ADDRESS: _____
IMMEDIATE SUPERVISOR: _____
TELEPHONE NUMBER: _____
WAGES PER MONTH: (\$) _____ PER HOUR: (\$) _____
IF NOT CURRENTLY EMPLOYED, SOURCE OF INCOME: _____
AMOUNT PER MONTH: (\$) _____

RESIDENT'S SIGNATURE

DATE

RESIDENTS ARE REQUESTED TO NOTIFY THE HOUSE MANAGER OF ANY CHANGE IN THE ABOVE INFORMATION:

OFFICE USE ONLY:

INTERVIEW DATE: _____
MOVE-IN DATE: _____

INTERVIEWER'S COMMENTS:



COMMUNITY DEVELOPMENT DEPARTMENT

PLANNING DIVISION

3300 Newport Boulevard, Building C, Newport Beach, CA 92663

(949) 644-3200 Fax: (949) 644-3229

www.newportbeachca.gov

June 20, 2011

StepHouse Recovery, Inc.
George Vilagut, President
356 5th Street
Huntington Beach, CA 92648

Dear Mr. Vilagut:

Subject: **NOTICE OF INCOMPLETE APPLICATION**
Reasonable Accommodation No. 2011-001 (PA 2011-117)
Property located at 2927 Paper Lane, Newport Beach

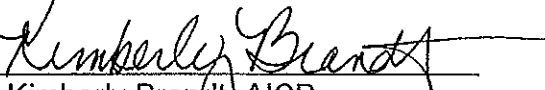
We have reviewed your submitted application and accompanying documentation, and have determined that additional information is necessary in order to complete the analysis of this request per the provisions of Chapter 20.52 of the Newport Beach Municipal Code (NBMC). By July 11, 2011, please provide the following clarifications and/or additional information:

1. Property Owner Affidavit: Please provide written authorization from the legal owner authorizing filing of this application.
2. Real Property Lease: What is the term of the lease between StepHouse Recovery, Inc. and the property owner? Please provide a copy of the real property lease agreement entered into between the property owner, Daniel Henry, and StepHouse Recovery, Inc.
3. Affirmation of Resident(s) Disability: Please provide a written statement, signed by the facility administrator or other credible individual, certifying under penalty of perjury that all residents of this facility meet the definition of disabled, as that term is defined by the federal and state housing laws.
4. Site Plan: Please provide a site plan showing the property dimensions, the location of the building on the lot, the location and number of on-site parking spaces. I have included a copy of the parcel map of the property, which shows the property dimensions to assist you with preparing a site plan.
5. Parolees and Government Referrals: The NBMC restricts any residential use from housing more than one parolee or probationer for monetary or non-monetary compensation. Please provide a verified written statement that StepHouse Recovery, Inc. complies with this provision of the NBMC.

Should you have any questions regarding the requested clarifications or additional information, please do not hesitate to contact me at (949) 644-3236.

Sincerely,

By



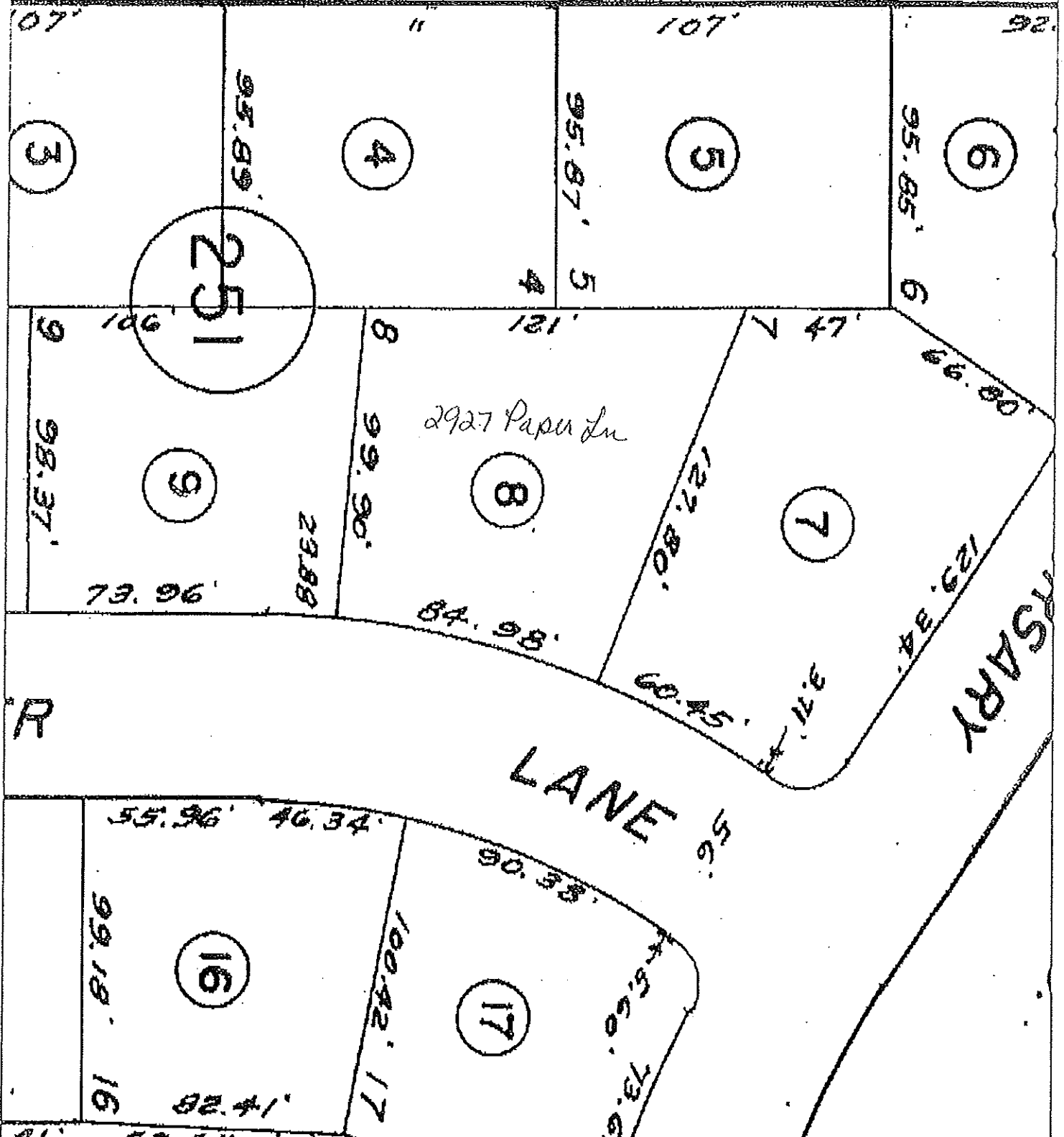
Kimberly Brandt, AICP
Community Development Director

cc: Daniel Henry, property owner
P.O. Box 10639
Newport Beach, CA 92658

Janet Brown, Associate Planner

(TUSTIN AVENUE)

AVENUE



RECEIVED BY
PLANNING DEPARTMENT

JUL 07 2011

June 28, 2011

CITY OF NEWPORT BEACH

Daniel S. Henry
P.O. Box 10639
Newport Beach, CA 92658

Via Fax: 714-969-2889 (Original By Mail)

George Vilagut
Step House Recovery, Inc.
2927 Paper Lane
Newport Beach, CA 92669

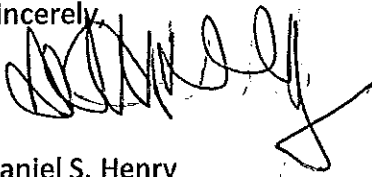
Re: Property Owner Affidavit 2927 Paper Lane

Dear George:

Please use this letter as my authorization, to file the Reasonable Accommodation No. 2011-001 (PA 2011-117) with the Community Development Department, Planning Division, City of Newport Beach.

Should there be any questions, I can be contacted at 949-500-8666.

Sincerely,

A handwritten signature in black ink, appearing to read 'Daniel S. Henry', with a long horizontal stroke extending to the right.

Daniel S. Henry
Property Owner

StepHouse Recovery, Inc.

Friday, July 1st, 2011

RECEIVED BY
PLANNING DEPARTMENT

JUL 07 2011

Kimberly Brandt AICP
Community Development Director
Community Development Department
Planning Division
3300 Newport Boulevard Building C
Newport Beach, CA 92663

CITY OF NEWPORT BEACH

Dear Miss Brandt,

This letter acts to inform you that Daniel Henry, owner of the residence located at 2927 Paper Lane has provided me with a waiver for the Occupants And Guests, Assignment And Subletting, Use Of Premises conditions of the lease so that I may use the residence to operate the StepHouse Recovery Inc, business.

If you have any questions regarding the waiver that Daniel Henry has furnished me, he has asked for the City of Newport Beach to call him directly at 949-500-8666.

Respectfully Yours,



George Vilagut
CEO/President
StepHouse Recovery, Inc.
714-394-3494

RENTAL AGREEMENT

This agreement is entered into this 19 Day of April 2010.

Owner: Daniel S. Henry

Tenant: George James Vilagut

In consideration for their mutual promises agree as follows:

Owner rents from tenant and tenant rents from owner the premises known as:

Street: 2927 PAPER LANE City: NEWPORT BEACH, California 92660

In the event owner or owner's agent is unable to deliver possession of the premises to the tenant for any reason, including but not limited to, failure of the previous tenant to vacate or partial or complete destruction of the premises, tenant shall have the right to terminate this agreement. In such event, owner or owner's agent's liability to tenant shall be limited to the return of all sums previously paid by tenant to owner.

AGENCY DISCLOSURE: Daniel Henry is the exclusive agent of the owner (lessor). This means a fiduciary duty of utmost care, integrity, honesty and loyalty in dealing with the owner.

TENANCY: (X) This is a twelve (12) month lease beginning May 1, 2010 and ending April 30, 2011.

RENT: Rent is due in **advance**, on the first day of each and every month in the sum of Two Thousand Eight Hundred Dollars (\$2,800.00) per month. **A late charge in the amount of \$175.00, will be charged for any rent received after the 3rd calendar day of any rent due date.** If rent due is not paid by the 3rd calendar day, after rent due date, a 3-Day Notice to Pay Rent or Quit will be issued and eviction proceedings initiated. Tenant agrees to have rent deposits made by ACH deposit to his JP Morgan Chase Account. Tenant will electronically transfer rent between his banking institution and the owners. Residents will be charged for preparation and service of any notice, due to non-compliance with the terms of this rental agreement in the amount of **\$100.00** per service. This charge will become due and payable immediately and may also be deducted from the resident's security deposit.

RENT PRORATION: In Conjunction with the signing of this lease rent in the amount of \$2,800.00 has been received, representing rent from May 1-May 31, 2010. \$2,800.00 has also been received representing the last month's rent of this lease or renewal of this lease, whichever is later. Tenant will be given early possession of the house effective April 19, 2010.

PAYMENT OF RENT: Rent shall be deposited by, (ACH), or taken to a JP Morgan Branch for direct deposit at tenant's option. Checks shall be made payable to **Daniel S. Henry**. Post-dated checks and two-party checks will not be accepted. Payment must be from the signers of the rental agreement. Deductions made from rents without written permission of the owner will be considered unpaid rent and will subject tenant to a late charge in the amount specified above. Tenants making a partial payment of rent will still be subject to the late charge specified above.

LATE RENTS: Rent can be deposited into be paid by cashier's check or money order. **Residents understand and agree that owner or owner's agent will apply all moneys received, first to unpaid rent and handling charges, unpaid maintenance charges, fines, unpaid utility charges due by residents, unpaid security deposit and attorney's fees, second to any past due rent and third to any current rent due or coming due.**

PLACE WHERE, WRITTEN NOTICES AND/OR WRITTEN COMMUNICATIONS ARE TO BE SENT OR PERSONALLY DELIVERED:

Daniel S. Henry
P.O. Box 10639
Newport Beach, CA 92658-8685
(949) 500-8666

RETURNED CHECKS: In the event a check is returned by the bank for any reason (non-sufficient funds, stopped payment, etc.) Tenant agrees:

- (a) To replace the returned check with a cashier's check within 24 hours.
- (b) To pay a thirty dollar (\$50.00) returned check charge with the replacement cashier's check/money order.
- (c) To pay a late charge in accordance with rent *paragraph*.
- (d) To pay all future rents with a cashier's check or money order after the first returned check.

SECURITY DEPOSIT: Owner acknowledges receipt of \$2,800.00 as security deposit. Within 21 days after resident vacates, owner or owner's agent will furnish tenant a security deposit statement, itemizing any deductions, with a refund of the remaining amount.

Tenant understands that the security deposit is not last month's rent and that tenant will be responsible for any and all unpaid rent at the time of vacating the premises.

UTILITIES: Tenant shall pay for all utilities made payable or predicated upon occupancy of tenant.

OCCUPANTS AND GUESTS: Premises shall be occupied only by the following persons. Occupancy by anyone other than the following persons for more than (14) nights shall constitute a breach of this agreement unless prior written consent is given in writing by owner or owner's agent:

MATT HARRISON

DOB: 1/23/68

ASSIGNMENT AND SUBLETTING: No portion of the premises shall be sublet nor this agreement assigned. Any attempted subletting or assignment by tenant, at the election of owner, shall be a breach of this agreement.

INVENTORY: A stove, microwave and dishwasher are included in this rental agreement. Any other appliance is not included in this rental agreement. If a refrigerator is on the property, the owner or owner's agent will not maintain or repair the same, it being the obligation of the tenant to do so. Furnace Filters can be found in the utility closet and should be replaced by tenant every 6-8 month. Call owner if instructions are needed on how to change filter.

In the garage, tenant shall not remove or relocate 1 roll of carpeting, dishwasher or attic stock for the property including, paint cans, tile or other items in garage cabinets. All other areas of the garage tenant may use as they see fit.

PROPERTY CONDITION: The tenant takes possession to the property in "as is" condition. The tenant and the owner or owner's agent have agreed on the rent in consideration of the tenant taking the premises in "as is" condition, both inside and outside the building, and on the tenant's promise to make any cosmetic repairs to the property, (excluding habitability items) so that it is livable for the tenant, and on the promise that the tenant maintain the property in good condition.

Any service calls for plumbing or drain related problems shall be paid fully by residents, unless problem is directly caused by roots. Should plumbing problems arise due to normal wear and tear landlord will remedy at his expense.

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ALTERNATIONS AND REPAIRS: Except in the event of an emergency, no repairs, decorating or alterations shall be done without owner's or owner's agent prior written consent. Tenant shall notify owner or owner's agent in writing of any repair or alteration contemplated. Decorations include but are not limited to, painting, wallpapering, and hanging of murals or posters. Tenant shall hold owner and owner's agent harmless as to any mechanics lien or recordation caused by tenant and agrees to indemnify owner or owner's agent by producing a bond in the event of any such claim or proceeding. Tenant agrees that all improvements installed on the premises, including landscaping, carpet, drapes etc., and shall remain with the property upon termination of the rental agreement at no cost to the owner.

PETS: No pets such as birds, animals, fish, except trained dogs needed by blind, deaf or physically disabled persons, shall be kept on the premises without the written consent of the owner or owner's agent.

Any consent so given, may be withdrawn, if, in the opinion of the owner, such pets causes a nuisance, causes complaint from neighbors, or otherwise adversely affect the normal maintenance of the property. Pets shall primarily be kept outside so no pet odor is created on the inside of home.

WINDOWS: Any broken windows, ripped or bent screens shall be replaced at tenant's expense.

FIREPLACES: Tenants are to have all fireplaces, flues and chimney professionally inspected and cleaned as necessary. **Tenant understands that fireplaces can be dangerous when they are dirty from continuous use, when burning paper or the wrong types of wood, when storing or replacing items next to a burning fire, or when left unattended. You should never try to burn Christmas trees, paper products and/or milled, treated or painted wood products. Watch out for chimney fires, if you see any flames coming from the top of the chimney you need to call 911, or the fire department.**

SMOKING: Tenants understand that there shall be no smoking on the inside of the home. Smoking stains the interior paint and ceiling and causes an odor in the home. Tenant shall pay owner, at owner's discretion an amount not to exceed \$1,500 to have the interior repainted and fumigated.

SMOKE DETECTOR: A smoke detector is in place and was tested during walk-through inspection. Tenant has inspected, has tested all smoke detectors prior to the execution of this rental agreement and found them to be in good working condition. Tenant agrees to test detector at least once per week. If the detector is battery powered, tenant agrees to replace the battery as needed. After replacing the battery, if the smoke detector sill does not work, tenant agrees to inform owner or owner's agent immediately in writing. If the detector is not battery powered, tenant agrees to notify owner or owner's agent immediately of any malfunctions. Tenants agree to hold owner and owner's agent harmless from any liability whatsoever for damages to people

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or property that may arise, or allege to have arisen as a result of failure of a smoke detector during the term of this rental agreement.

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SEVERABILITY: If any provision of this agreement or its application is held invalid, it will not affect other provisions or applications herein, which can be given effect without the invalid provision or application. To this end all provisions of this Rental Agreement are severable.

MOVE OUT INSPECTION: If the tenant schedules a move out inspection and the property is not ready for the move-out inspection at the agreed upon time, tenant agrees to pay a \$100.00 trip charge. "Ready" means that the tenant is completely moved out, all repairs, cleaning and landscaping are complete, and the electricity and gas are on.


MOVE IN INSPECTION: Owner or owner's agent has performed a detailed move-in inspection. Tenant agrees to inspect property thoroughly before executing this agreement and note any items (i.e.: broken glass, damaged items etc.) under rental agreement additional provision in this document. The tenant will also have an additional 7 days to report in writing any discrepancies to the owner's agent, which may be discovered. In the event no such written notice is received the premises will have been assumed to be in good condition with any exceptions noted in the additional provisions section of this agreement.

USE OF PREMISES: Premises shall be used as a residence only. Operating a business (auto repair, handyman, house cleaning, etc.) from this property is prohibited. Tenant shall not violate any governmental law in use of premises, commit waste or nuisance, annoy, molest, or interfere with any other tenant or neighbor. Day care operators must be licensed, must provide proof of liability insurance in the amount of \$300,000, must name the owner and owner's agent as additional insured under the policy with a waiver of subrogation rider/endorsement. Security deposit will be increased to (2) month's rent. Tenant shall not display any sign or exhibit on the premises.

CARS: Any vehicle that is parked on the premises that is not in running condition, without motor or otherwise not currently registered, for more than 3 days may be towed off property at tenant's expense. Tenants will not allow or permit repair work to automobiles, motorcycles, etc., to be conducted on or any part of the property or surrounding residence.

CARPETS/DRAPES: Upon moving out of the premises, carpets are to be professionally steam cleaned, using the hot water extraction method by a professional carpet cleaning service. Tenant's security deposit account will be charged for carpet cleaning. Additional carpet cleaning expenses will be charged to tenant for carpet deodorant and de-fleaing if pets are involved. Dry cleaning of drapes is mandatory if soiled or if tenants smoke.

HOLD HARMLESS AND WAIVER: NO INSURANCE IS PROVIDED BY OWNER FOR TEANANT'S PERSONAL PROPERTY. Tenant agrees to indemnify and hold owner and

A handwritten signature in black ink, appearing to be 'Jv' followed by a stylized flourish or initials.

owner's agent harmless and in no way accountable for any liability for personal injury or property damage caused or permitted by tenant or any other person on the premises with tenant's consent. **Tenants should carry "Renter's Insurance" and are aware that owner's insurance coverage does not carry damage to tenant's personal belongings. Tenants agree to hold owner and owner's agent harmless from claims, demands, damages or liability arising out of the premises caused by or permitted by tenants, tenant's family, employees and/or guests.**


Page 5 of 9

DAMAGE TO PREMISES: If the premises is so damaged by fire, disaster or any other cause to render them uninhabitable, then either party shall have the right to terminate this rental agreement as of the date on which such damage occurs, through written notice to the other party, to be given within 15 days after the occurrence of such damage, except that should such damage occur as a result of the abuse or negligence of tenants, or tenants guests, then owner only shall have the right to termination. Should this right be exercised by either party, then rent shall be charged only to the date damage occurred and any prepaid rent or unused security deposit shall be refunded to the residents. If this rental agreement is not terminated, then owner shall promptly repair the premises, with any rent reduction to be agreed upon prior to the repairs being started.

RIGHT OF ENTRY: Upon not less than 24 hours advance notice, tenants shall make the premises available during normal business hours to owner or owner's agent, for the purpose of entering:

- (a) To make necessary agreed repairs, decorations, alterations or improvements or to supply necessary or agreed services and/or:
- (b) To show the premises to prospective or actual purchasers, bank or mortgage lenders, tenants, insurance agents, contractors or any other person owner or owner's agent deems appropriate. In an emergency, owner or owner's agent may enter the premises at any time without accruing prior permission from tenants for the purpose of making corrections or repairs to alleviate such emergency.

WAIVER BY OWNER: The waiver of owner or owner's agent of any breach shall not be construed to be continuing waiver of any subsequent breach. The receipt by the Owner of rent with the knowledge of any violation of a covenant or condition hereto shall not be deemed a waiver of such breach. No waiver by Owner or Owner's agent of the provisions herein shall be deemed to have been made unless expressed in writing and signed by owner.

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WATERBEDS: If tenant owns a waterbed, tenant agrees to provide owner or owner's agent with a copy of waterbed insurance naming owner and owner's agent as additional insured within 10 days of occupancy. Should tenant fail to do so, this will constitute a breach of this rental agreement.

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MULTIPLE OCCUPANCY: Tenant acknowledges that this rental agreement is between owner and the resident executing this rental agreement, jointly and severally.

TERMINATION OF TENANCY: Except as provided by law or as set forth in this agreement, this lease agreement may be terminated by either party after the lease term by service upon the other of a written 30-Day Notice of Termination of Tenancy. Tenant agrees to pay rent through the 30-day Notice period or the date of surrender of all keys to the property, whichever occurs later. Any holding over past the 30-Day Notice shall result in Tenant being liable to owner for "rental damage" at the rate of 1.5 times the contract rent or \$140.00 per day.

ATTORNEY FEES: The prevailing party in any legal action brought for the recovery of rent or other moneys due or become due or to become due under this rental agreement or by reason of a breach of any covenant, provision or clause herein contained for the recovery of possession of said premises, or to compel the performance of anything agreed to be done herein or to recover the damages to said property or to enjoin, any act contrary to the provision including, but not limited to, shall be entitled to reasonable attorney fees and costs. If any dispute arises regarding this rental agreement, owner and tenant agree to waive all rights to a jury trial. Both parties acknowledge this consent and understand its ramification.

INSPECTION OF THIS AGREEMENT BY COUNSEL: The tenant understands and has been given the opportunity to have this agreement reviewed by an attorney. If any provision of this agreement is not understood, we urge you to have it explained to you by a legal professional, before signing.

YOUR CREDIT STANDING: is one of your greatest assets-only you can earn it and protect it. To maintain a good credit rating, all payments should be made on or before the due date specified in this rental agreement. As required by law and pursuant to Civil Code section 1785.26, you are hereby notified that a negative credit rating may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligation with us. A negative credit rating will appear on a credit report and may affect your ability to borrow or rent in the future.

LEAD BASED PAINT WARNING: The property you are renting was built before 1978. Housing built before 1978 may contain lead-based paint. Lead form paint, paint chips and dust can pose health hazards if not taken care of property. Lead exposure is especially harmful to young children and pregnant women. The owner has no knowledge of lead-based paint and/or

SV AK

lead-based paint hazards in the unit. Tenant has received the form *Disclosure of Information on Lead-Based Paint Hazards* and the pamphlet *Protect your Family from Lead in your Home*.

Page 7 of 9

GOVERNMENT LAWS: All government, city and state laws and ordinances shall be complied with by tenant. Should a fine or corrective notice be found cited against the property as a result of a breach of any part of this rental agreement, tenant agrees to pay for such fines and corrective action at tenants sole cost and expense.

RIGHTS AND REMEDIES: The parties to this agreement shall have all rights and remedies afforded them by the laws of the State of California or any local government therein.

KEYS: Owner or owner's agent to retain keys to the property. If the tenant changes the locks, this work shall be done by a licensed locksmith tenant shall furnish a duplicate set of keys to the owner or owner's agent within five (5) days. If tenant fails to do so, owner may immediately obtain the services of a locksmith to make such duplicate set and charge all costs to tenant. Tenant hereby accepts one key. Should keys not be returned the day of vacating the premises, tenant agrees to pay (\$75.00) to re-key unit. **Tenant has been furnished with 2 keys and 1 garage door opener for property.**

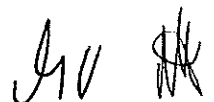
TRASH: If tenant has trash that exceeds the normal pick up, tenants are to arrange to have it hauled away. No excessive trash is to be left on the property at any time.

LANDSCAPING: A gardener paid by owner is included in this lease. Tenant agrees to water and rear landscaping of property at all times at their cost and expense. This means watering yard at every other day.

INTERPRETATION OF CONTRACT: Tenant does not X need an interpreter and can understand the rental agreement.

RENTAL AGREEMENT ADDITIONAL PROVISIONS: All rent starting June 1, 2010 shall be deposited via (ACH) transfer. JP Morgan Chase Routing#322271626...Account#398-2089315

Daniel S. Henry



Page 8 of 9

The undersigned tenant acknowledges having read and understood the above rental agreement prior to execution and received a copy thereof. This agreement and any supplement or modification relating hereto, including a photocopy of facsimile thereof, may be executed in two or more counterparts, all of which shall constitute one and the same writing.

Tenant: George Vilagut Date: 4/19/10

George James Vilagut

OWNER: Daniel S. Henry Date: 4/19/10

Daniel S. Henry

LEASE AGREEMENT (Renewal)

This agreement is entered into this 30 Day of March 2011

Owner: Daniel S. Henry

Tenant: George James Vilagut

In consideration for their mutual promises agree as follows:

Owner renews the original lease agreement dated April 19, 2010 from May 1, 2011 through and until April 30, 2012 for the premises known as:

Street: 2927 PAPER LANE City: NEWPORT BEACH, California 92660

There will be a change in the following terms of the lease dated April 19, 2010 as follows:

- (a) Rent: Due in advance, on the first day of each and every month in the sum of Two Thousand Eight Hundred Seventy-Five (\$2,875.00) per month.

Except as noted in this paragraph all terms and conditions of every kind and nature, including addendums, in the original lease agreement dated April 19, 2010 remain in full force and effect and are incorporated by reference into this renewal document.

The undersigned tenant acknowledges having read and understood the above lease renewal agreement prior to execution and received a copy thereof. This agreement and any supplement or modification relating hereto, including a photocopy of facsimile thereof, may be executed in two or more counterparts, all of which shall constitute one and the same writing.

Tenant: George James Vilagut

Date: 3/31/11

George James Vilagut

OWNER: Daniel S. Henry
Daniel S. Henry

Date: 4/1/11

StepHouse Recovery, Inc.

Friday, July 1st, 2011

Kimberly Brandt AICP
Community Development Director
Community Development Department
Planning Division
3300 Newport Boulevard Building C
Newport Beach, CA 92663

RECEIVED BY
PLANNING DEPARTMENT

JUL 07 2011

CITY OF NEWPORT BEACH

Dear Miss Brandt,

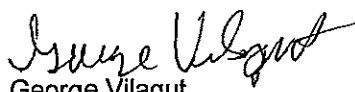
In 1990, the Americans with Disabilities Act (ADA) further amends the provisions of the FHA. The ADA amendments extended the protection of the FHA to include:

- Individuals participating in rehabilitation programs.
- Sober living homes where people classified as disabled live.

Sober living homes under the protection of these Acts, provide housing facilities for persons suffering from chemical dependency. The Department of Housing and Urban Development (HUD) Investigates any act believed to be discrimination against sober living homes and their occupants. Discriminatory local regulations that impact sober living homes are prohibited by the Fair Housing Act. .

Under the Penalty of perjury, I confirm that all residents at this single housekeeping unit located at 2927 Paper Lane meet the definition of disabled, as that term is defined by the federal and state housing laws since they are all individuals in active recovery from chemical dependency.

Respectfully Yours,


George Vilagut
CEO/President
StepHouse Recovery, Inc.
714-394-3494

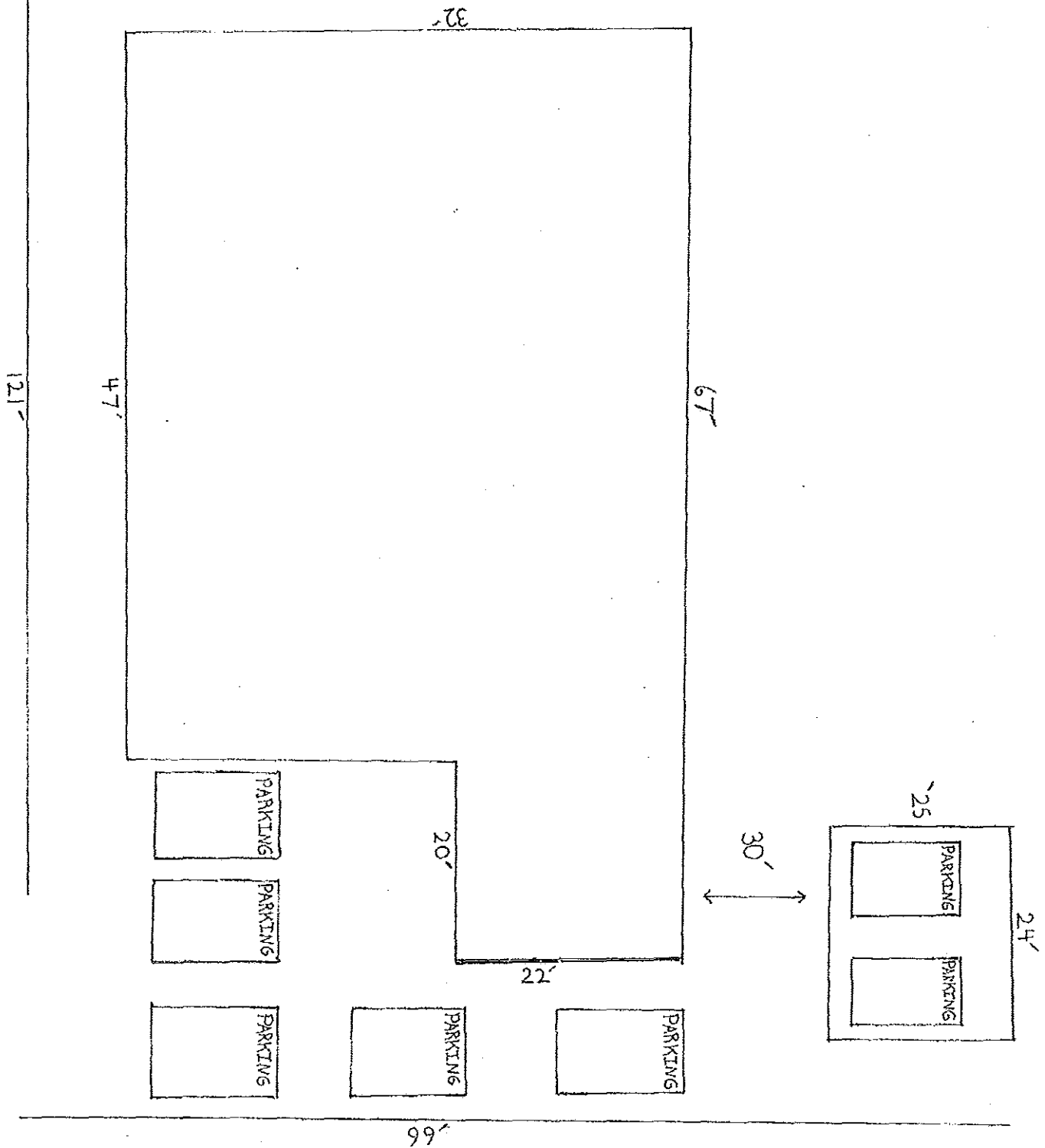
RECEIVED BY
PLANNING DEPARTMENT

JUL 07 2011

N28°38' 52" IV CRHDD

CITY OF NEWPORT BEACH

2927 Paper Lane



StepHouse Recovery, Inc.

Friday, July 1st, 2011

Kimberly Brandt AICP
Community Development Director
Community Development Department
Planning Division
3300 Newport Boulevard Building C
Newport Beach, CA 92663

RECEIVED BY
PLANNING DEPARTMENT


JUL 07 2011

CITY OF NEWPORT BEACH

Dear Miss Brandt,

This acts as a written statement acknowledging that StepHouse Recovery, Inc. is in compliance with NBCM regarding Parolees, Probationers and Government Referrals. We do not house more than one parolee or probationer for monetary or non-monetary compensation.

Respectfully Yours,


George Vilagut
CEO/President
StepHouse Recovery, Inc.
714-394-3494

Brown, Janet

From: The Stephouse [thestepphouse@gmail.com]
Sent: Friday, July 08, 2011 1:44 PM
To: Wolcott, Cathy; Brown, Janet
Subject: StepHouse Recovery Inc. Addendum To Application
Attachments: Contract 1 001.jpg; contract 2 001.jpg; contract 3 001.jpg; contract 4 001.jpg; contract 5 001.jpg

Good Afternoon Miss Wolcott, & Miss Brown:

It was great seeing the both of you yesterday and I would like to personally thank you both for taking the time out of your busy schedules to meet with me yesterday.

Per our discussion, I am providing the information that you requested and any changes that needed to be made that are helpful in completing the application process so that we may proceed forward to the mediation before a hearing judge.

This e-mail will serve as a addendum to the application submitted by StepHouse Recovery Inc, on May 28th, 2011.

1. StepHouse Recovery Inc. withdraws it's request for the recovery home at 2927 Paper Lane to be considered as a "single housekeeping unit".
2. We are providing copies of our current client contracts with only first name and first initial of last name to comply with confidentiality laws. StepHouse Recovery also agrees not to accept any new clients while in the application and hearing phase of seeking a "reasonable accommodation" permit from the City of Newport Beach.
3. We would also ask that the outdated section 20.98.025(c) referenced in our application answers to #8 be replaced with the current active section 20.52.070(d3) factors for consideration regarding necessity. All other aspects of our response to remain the same.

I look forward to receiving the letter regarding the next steps toward scheduling a date with the hearing judge and any information that you have regarding the abatement process.

Respectfully Yours,

George Vilagut
CEO/President
StepHouse Recovery Inc.
714-394-3494

Brown, Janet

From: Brown, Janet
Sent: Friday, July 08, 2011 2:48 PM
To: 'The Stephouse'
Cc: Wolcott, Cathy
Subject: RE: StepHouse Recovery Inc. Addendum To Application

Good afternoon, Mr. Vilagut.

Thank you for your email and the attachments.

Initially, it appears we have received all the necessary items for a complete application. However, I will contact you in the near future after I review the entire record to advise as to whether we need any additional information to complete the application. As we mentioned yesterday, it is our intent to schedule a public hearing before a Hearing Officer within 60 days (or sooner) once the application is determined to be complete.

We appreciate the opportunity to meet with you. If you have any questions, comments or concerns in the meantime, please do not hesitate to contact me.

Sincerely,

Janet Johnson Brown
Associate Planner
City of Newport Beach
3300 Newport Blvd., Newport Beach, CA 92663
T (949) 644-3236 / F (949) 644-3229
jbrown@newportbeachca.gov

From: The Stephouse [<mailto:thestephouse@gmail.com>]
Sent: Friday, July 08, 2011 1:44 PM
To: Wolcott, Cathy; Brown, Janet
Subject: StepHouse Recovery Inc. Addendum To Application

Good Afternoon Miss Wolcott, & Miss Brown:

It was great seeing the both of you yesterday and I would like to personally thank you both for taking the time out of your busy schedules to meet with me yesterday.

Per our discussion, I am providing the information that you requested and any changes that needed to be made that are helpful in completing the application process so that we may proceed forward to the mediation before a hearing judge.

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2. We are providing copies of our current client contracts with only first name and first initial of last name to comply with confidentiality laws. StepHouse Recovery also agrees not to accept any new clients while in the

application and hearing phase of seeking a "reasonable accommodation" permit from the City of Newport Beach.

3. We would also ask that the outdated section 20.98.025(c) referenced in our application answers to #8 be replaced with the current active section 20.52.070(d3) factors for consideration regarding necessity. All other aspects of our response to remain the same.

I look forward to receiving the letter regarding the next steps toward scheduling a date with the hearing judge and any information that you have regarding the abatement process.

Respectfully Yours,

George Vilagut
CEO/President
StepHouse Recovery Inc.
714-394-3494

Brown, Janet

From: The Stephouse [thestephouse@gmail.com]
Sent: Thursday, July 14, 2011 7:17 AM
To: Brown, Janet
Subject: StepHouse Recovery Inc., Corporate Officer Information and Corrected Contracts
Attachments: Corporate 1 001.jpg; Corporate 2 001.jpg; Corporate 3 001.jpg; Corporate 4 001.jpg; Contract 1 001.jpg; Contract 2 001.jpg; Contract 3 001.jpg

Miss Brown,

Thank you for taking the time to review the exhibited items on our application submitted for the "Reasonable Accommodation Permit". Per our conversation, I have attached the StepHouse Recovery Inc., corporate information you requested regarding the by laws as stated to the Internal Revenue Service. I have also attached the three corrected contracts we discussed.

I want to personally thank you for your incredible attention to detail ensuring that all the required pieces are in place on behalf of StepHouse Recovery as we approach the upcoming hearing date to be established.

Please feel free to give me a call if you have any questions or if you need any additional material that may have been overlooked.

Respectfully Yours,

George Vilagut
CEO/President
StepHouse Recovery Inc.
714-394-3494

C3316674

ARTICLES OF INCORPORATION
OF

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

AUG 23 2010

The Stephouse Recovery, Inc.

I: The name of the corporation (hereinafter referred to as the "corporation") is:

The Stephouse Recovery, Inc.

II: The existence of the corporation is perpetual.

III: The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California, other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

IV: The name of the corporation's initial agent for service of process within the State of California in accordance with the provisions of subdivision (b) of Section 1502 of the Corporations Code of the State of California is Corporation Service Company which will do business in California as CSC-Lawyers Incorporating Service.

V: The total number of shares which the corporation is authorized to issue is 1500, all of which are of one class and of a par value of \$ 0.00 each, and all of which are Common shares.

Signed on August 23, 2010

Corporation Service Company, Incorporator

by:


Vikki Saetern, Assistant Secretary

Election by a Small Business Corporation
(Under section 1362 of the Internal Revenue Code)

OMB No. 1545-0146

▶ See Parts II and III on page 3 and the separate instructions.
▶ The corporation can fax this form to the IRS (see separate instructions).

Note. This election to be an S corporation can be accepted only if all the tests are met under **Who May Elect** on page 1 of the instructions; all shareholders have signed the consent statement; an officer has signed below; and the exact name and address of the corporation and other required form information are provided.

Part I Election Information

Type or Print	Name (see instructions) StepHouse Recovery Inc.	A Employer identification number 27 3406905
	Number, street, and room or suite no. (If a P.O. box, see instructions.) 2927 Paper Lane	B Date incorporated 08/23/2010
	City or town, state, and ZIP code Newport Beach, CA 92660	C State of incorporation CA

D Check the applicable box(es) if the corporation, after applying for the EIN shown in **A** above, changed its ☐ name or ☐ address

E Election is to be effective for tax year beginning (month, day, year) (see instructions) ▶ **08 / 23 / 2010**

Caution. A corporation (entity) making the election for its first tax year in existence will usually enter the beginning date of a short tax year that begins on a date other than January 1.

F Selected tax year:

- (1) ☒ Calendar year
(2) ☐ Fiscal year ending (month and day) ▶ _____
(3) ☐ 52-53-week year ending with reference to the month of December
(4) ☐ 52-53-week year ending with reference to the month of ▶ _____

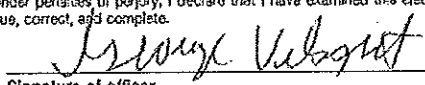
If box (2) or (4) is checked, complete Part II

G If more than 100 shareholders are listed for item **J** (see page 2), check this box if treating members of a family as one shareholder results in no more than 100 shareholders (see test 2 under **Who May Elect** in the instructions) ▶ ☐

H Name and title of officer or legal representative who the IRS may call for more information George Vilagut CEO/President	I Telephone number of officer or legal representative (714) 394-3494
---	---

If this S corporation election is being filed with Form 1120S, I declare that I had reasonable cause for not filing Form 2553 timely, and if this election is made by an entity eligible to elect to be treated as a corporation, I declare that I also had reasonable cause for not filing an entity classification election timely. See below for my explanation of the reasons the election or elections were not made on time (see instructions).

Inadvertent failure to file. I did not realize that I had only 75 days to file form 2553 until recently and the 75 day period has already passed. I would greatly appreciate your understanding regarding this matter, this is my first corporation and the company that filed the S-Corp papers Company Corporation, did not inform me of this. It was not until I consulted with my accountant recently, that I became aware of this responsibility.

Sign Here ▶ Under penalties of perjury, I declare that I have examined this election, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of officer

CEO/President
Title

6/8/11
Date

Part I Election Information (continued)

J Name and address of each shareholder or former shareholder required to consent to the election. (See the instructions for column K.)	K. Shareholders' Consent Statement. Under penalties of perjury, we declare that we consent to the election of the above-named corporation to be an S corporation under section 1362(a) and that we have examined this consent statement, including accompanying schedules and statements, and to the best of our knowledge and belief, it is true, correct, and complete. We understand our consent is binding and may not be withdrawn after the corporation has made a valid election. (Sign and date below.)		L Stock owned or percentage of ownership (see instructions)		M Social security number or employer identification number (see instructions)	N Shareholder's tax year ends (month and day)
	Signature	Date	Number of shares or percentage of ownership	Date(s) acquired		
George Vilagut 356 5th Street Huntington Beach, CA 92648	<i>George Vilagut</i>	6/8/11	825	8/23/10	566-19-3648	12/31/10
Matthew Harrison 2927 Paper Lane Newport Beach, CA 92660	<i>Matthew Harrison</i>	6/8/11	675	8/23/10	544-68-0259	12/31/10

Part II Selection of Fiscal Tax Year (see instructions)

Note. All corporations using this part must complete item O and item P, Q, or R.

O Check the applicable box to indicate whether the corporation is:

1. ☒ A new corporation adopting the tax year entered in item F, Part I.
2. ☐ An existing corporation retaining the tax year entered in item F, Part I.
3. ☐ An existing corporation changing to the tax year entered in item F, Part I.

P Complete item P if the corporation is using the automatic approval provisions of Rev. Proc. 2006-46, 2006-45 I.R.B. 859, to request (1) a natural business year (as defined in section 5.07 of Rev. Proc. 2006-46) or (2) a year that satisfies the ownership tax year test (as defined in section 5.08 of Rev. Proc. 2006-46). Check the applicable box below to indicate the representation statement the corporation is making.

1. **Natural Business Year** ▶ ☒ I represent that the corporation is adopting, retaining, or changing to a tax year that qualifies as its natural business year (as defined in section 5.07 of Rev. Proc. 2006-46) and has attached a statement showing separately for each month the gross receipts for the most recent 47 months (see instructions). I also represent that the corporation is not precluded by section 4.02 of Rev. Proc. 2006-46 from obtaining automatic approval of such adoption, retention, or change in tax year.

2. **Ownership Tax Year** ▶ ☐ I represent that shareholders (as described in section 5.08 of Rev. Proc. 2006-46) holding more than half of the shares of the stock (as of the first day of the tax year to which the request relates) of the corporation have the same tax year or are concurrently changing to the tax year that the corporation adopts, retains, or changes to per item F, Part I, and that such tax year satisfies the requirement of section 4.01(3) of Rev. Proc. 2006-46. I also represent that the corporation is not precluded by section 4.02 of Rev. Proc. 2006-46 from obtaining automatic approval of such adoption, retention, or change in tax year.

Note. If you do not use item P and the corporation wants a fiscal tax year, complete either item Q or R below. Item Q is used to request a fiscal tax year based on a business purpose and to make a back-up section 444 election. Item R is used to make a regular section 444 election.

Q **Business Purpose**—To request a fiscal tax year based on a business purpose, check box Q1. See instructions for details including payment of a user fee. You may also check box Q2 and/or box Q3.

1. **Check here** ▶ ☐ if the fiscal year entered in item F, Part I, is requested under the prior approval provisions of Rev. Proc. 2002-39, 2002-22 I.R.B. 1046. Attach to Form 2553 a statement describing the relevant facts and circumstances and, if applicable, the gross receipts from sales and services necessary to establish a business purpose. See the instructions for details regarding the gross receipts from sales and services. If the IRS proposes to disapprove the requested fiscal year, do you want a conference with the IRS National Office?

☐ Yes ☐ No

2. **Check here** ▶ ☐ to show that the corporation intends to make a back-up section 444 election in the event the corporation's business purpose request is not approved by the IRS. (See instructions for more information.)

3. **Check here** ▶ ☐ to show that the corporation agrees to adopt or change to a tax year ending December 31 if necessary for the IRS to accept this election for S corporation status in the event (1) the corporation's business purpose request is not approved and the corporation makes a back-up section 444 election, but is ultimately not qualified to make a section 444 election, or (2) the corporation's business purpose request is not approved and the corporation did not make a back-up section 444 election.

R **Section 444 Election**—To make a section 444 election, check box R1. You may also check box R2.

1. **Check here** ▶ ☐ to show that the corporation will make, if qualified, a section 444 election to have the fiscal tax year shown in item F, Part I. To make the election, you must complete Form 8716, Election To Have a Tax Year Other Than a Required Tax Year, and either attach it to Form 2553 or file it separately.

2. **Check here** ▶ ☐ to show that the corporation agrees to adopt or change to a tax year ending December 31 if necessary for the IRS to accept this election for S corporation status in the event the corporation is ultimately not qualified to make a section 444 election.

Part III Qualified Subchapter S Trust (QSST) Election Under Section 1361(d)(2)*

Income beneficiary's name and address

Social security number

Trust's name and address

Employer identification number

Date on which stock of the corporation was transferred to the trust (month, day, year) / /

In order for the trust named above to be a QSST and thus a qualifying shareholder of the S corporation for which this Form 2553 is filed, I hereby make the election under section 1361(d)(2). Under penalties of perjury, I certify that the trust meets the definitional requirements of section 1361(d)(3) and that all other information provided in Part III is true, correct, and complete.

Signature of income beneficiary or signature and title of legal representative or other qualified person making the election

Date

*Use Part III to make the QSST election only if stock of the corporation has been transferred to the trust on or before the date on which the corporation makes its election to be an S corporation. The QSST election must be made and filed separately if stock of the corporation is transferred to the trust after the date on which the corporation makes the S election.



Brown, Janet

From: Brown, Janet
Sent: Thursday, July 21, 2011 4:39 PM
To: 'The Stephouse'
Cc: Wolcott, Cathy
Subject: RE: StepHouse Recovery Inc., Corporate Officer Information and Corrected Contracts

Good afternoon, Mr. Vilagut.

Thank you for providing the attached information.

I have reviewed the IRS Form 2553 you provided in response to my request for a Board of Director's Resolution stating who in the company has the authority to enter into contracts. The Form 2553 only provides the IRS with the name and title of an officer or legal representative who the IRS may call for more information. It does not give authority to bind the company in a contract. Kindly provide a copy of a resolution adopted by the Board of Directors of StepHouse Recovery Inc. which states who has authority to bind the company in a contract.

Thank you.

Janet Johnson Brown
Associate Planner
City of Newport Beach
3300 Newport Blvd., Newport Beach, CA 92663
T (949) 644-3236 / F (949) 644-3229
jbrown@newportbeachca.gov

From: The Stephouse [<mailto:thestephouse@gmail.com>]
Sent: Thursday, July 14, 2011 7:17 AM
To: Brown, Janet
Subject: StepHouse Recovery Inc., Corporate Officer Information and Corrected Contracts

Miss Brown,

Thank you for taking the time to review the exhibited items on our application submitted for the "Reasonable Accommodation Permit". Per our conversation, I have attached the StepHouse Recovery Inc., corporate information you requested regarding the by laws as stated to the Internal Revenue Service. I have also attached the three corrected contracts we discussed.

I want to personally thank you for your incredible attention to detail ensuring that all the required pieces are in place on behalf of StepHouse Recovery as we approach the upcoming hearing date to be established.

Please feel free to give me a call if you have any questions or if you need any additional material that may have been overlooked.

Respectfully Yours,

George Vilagut
CEO/President

StepHouse Recovery Inc.
714-394-3494

Brown, Janet

From: The Stephouse [thestephouse@gmail.com]
Sent: Monday, July 25, 2011 12:02 AM
To: Brown, Janet; Wolcott, Cathy
Subject: Board of Director's Resolution

Miss Brown & Miss Wolcott:

I am in the process of securing the Board of Director's Resolution that you have requested from my Registered Agent. This information will include the resolution adopted by the Board of Directors of StepHouse Recovery Inc, demonstrating who has the empowerment to bind the corporation into a contract. I expect to have this information in the next few days and will forward it to you via e-mail.

Thank you for your patience and cooperation in advance.

If you have any questions regarding any matter, please give me a call.

Thank You,

George Vilagut
CEO/President
StepHouse Recovery Inc,
714-394-3494

Brown, Janet

From: The Stephouse [thestephouse@gmail.com]
Sent: Monday, August 01, 2011 12:44 PM
To: Brown, Janet; Wolcott, Cathy
Subject: StepHouse Recovery Inc. Resolution
Attachments: Resolution 1 001.jpg; Resolution 2 001.jpg; Resolution 3 002.jpg; resolution 4 001.jpg; Resolution 5 001.jpg; Resolution 6 001.jpg

Miss Brown & Miss Wolcott:

I hope you ladies had a nice weekend. Attached you will find the resolution and the binding consent for StepHouse Recovery Inc.

I had asked the company that drew up the resolution to correct an error on Page 4 of the document, it states "Sacramento" instead of

Newport Beach as the city for our principal office. Well, they didn't do a good job, I have contacted them again, for the second time that this needs to be corrected. As soon as I have the correction revised, I will forward the corrected page to you.

We want to make certain we are in conformance to all of your requirements.

Should there be anything else you need, please do not hesitate to contact me..

Respectfully Yours,

George Vilagut
CEO/President
StepHouse Recovery Inc.
714-394-3494

**ACTION BY WRITTEN CONSENT
OF THE SOLE INCORPORATOR
OF**

Stephouse Recovery Inc.,
a California Corporation,
July 22, 2011

The undersigned, acting as the sole incorporator of Stephouse Recovery Inc., a California corporation (the "Corporation"), does hereby approve and adopt the following resolutions by this written consent (this "Written Consent") pursuant to the laws of the state of California, which shall be effective upon the commencement of the Corporation's existence.

The following bylaws of the Corporation are hereby adopted: "The Board of Directors of the Corporation shall consist of two (2). To the extent permitted by law, bylaws of the Corporation may be adopted, amended, repealed, and superseded by the Board of Directors of the Corporation."

Each person named below is hereby elected to serve as a director of the Corporation until such time as his or her successor is duly elected and qualified.

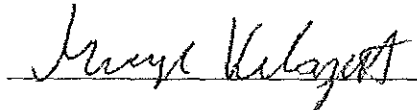
George Vilagut
Matthew Harrison

The officers of the Corporation, as elected by the Corporation's Board of Directors, are authorized and directed to insert a copy of this Written Consent in the minute book of the Corporation.

The undersigned, the sole incorporator of the Corporation, hereby resigns as the incorporator of the Corporation, effective immediately following his or her execution of this Written Consent below.

IN WITNESS WHEREOF, the undersigned, being the sole incorporator of the Corporation, executes this Written Consent as of the date set forth above.

George Vilagut, Incorporator



**UNANIMOUS WRITTEN CONSENT IN
LIEU OF FIRST MEETING OF THE BOARD OF DIRECTORS
OF
Stephouse Recovery Inc.,
a California Corporation**

The undersigned, constituting all of the members of Stephouse Recovery Inc. the board of directors (the "Board") of Stephouse Recovery Inc., a California corporation (the "Corporation"), in lieu of holding a meeting of the Board, do hereby approve and adopt the following resolutions by this unanimous written consent ("Written Consent") pursuant to the laws of the state of California.

Adoption of Bylaws

RESOLVED, that the bylaws presented to the Board and attached hereto are adopted as the bylaws of the Corporation ("Bylaws") and amend, restate, and supersede the Corporation's prior existing bylaws, if any, in their entirety.

Stock Issuance

RESOLVED, that the Corporation is hereby authorized to issue and sell shares of common stock of the Corporation, \$0.001 par value (the "Shares"), to each person named below in exchange for the indicated capital contribution listed below.

<u>Name of Shareholder</u>	<u>Number of Shares</u>	<u>Capital Contribution (\$)</u>
George Vilagut	825	\$75,000.00 (Cash)
Matthew Harrison	675	\$75,000.00 (Cash)

FURTHER RESOLVED, that the consideration to be received for the above-mentioned Shares is adequate and approved, and that, upon receipt of such contribution and final copies of all appropriate documentation required by Corporation, the officers of the Corporation are hereby authorized to execute and deliver to each person named above a certificate representing the number of Shares set forth above, and such Shares shall be validly issued, fully paid and non-assessable common stock of the Corporation.

Election of Officers

RESOLVED, that the following individuals are hereby elected to serve in the offices of the Corporation set forth opposite their respective names until their respective successors are duly elected and qualified or their earlier resignation or removal:

President:	George Vilagut
Chief Financial Officer:	George Vilagut
Secretary:	Matthew Harrison
Chief Operating Officer:	Matthew Harrison

Corporate Documents and Proceedings

RESOLVED, that the officers of the Corporation are hereby authorized and directed to procure all corporate books, books of account and stock books which may be required by the laws of California or of any foreign jurisdiction in which the Corporation may do business or which may be necessary or appropriate in connection with the business of the Corporation.

FURTHER RESOLVED, that the officers of the Corporation are authorized and directed to maintain a minute book containing the minutes of any and all meetings and actions of the Board, Board committees and the Corporation's shareholders, together with such other documents, including this Written Consent, as the Corporation, the Board or the Corporation's shareholders shall from time to time direct.

FURTHER RESOLVED, that the Secretary of the Corporation is authorized and instructed to insert a copy of the Articles of Incorporation of the Corporation as filed in the office of the California Secretary of State and certified by the California Secretary of State and a copy of the Bylaws, as each such document is amended from time to time, in the minute book of the Corporation.

FURTHER RESOLVED, that the Corporation shall have a corporate seal in the form of two concentric circles with the name of the Corporation between the two circles and the year of incorporation and California within the inner circle.

FURTHER RESOLVED, that the form of stock certificate has been presented to the Board for review and is hereby approved and adopted as the form stock certificate of the Corporation and the Secretary is directed to insert a specimen of such stock certificate in the minute book of the Corporation.

FURTHER RESOLVED, that the Secretary of the Corporation is hereby authorized and directed to insert a copy of the Bylaws as amended from time to time in the minute book of the Corporation and to see that a copy is kept at the principal executive office for the transaction of business of the Corporation.

FURTHER RESOLVED, that all actions taken by the Corporation's incorporator LegalZoom.com, Inc. and/or its agents, in connection with the formation of the Corporation are hereby in all respects approved, ratified and affirmed for and on behalf of the Corporation.

Annual Accounting Period

RESOLVED, that until otherwise determined by the Board the fiscal year of the Corporation shall end on December 31.

Principal Executive Office

RESOLVED, that the principal executive office of the Corporation shall be located at 2927 Paper Lane, Sacramento, California 92660.

Bank Account

RESOLVED, that the officers of the Corporation are hereby authorized to establish an account in the name of the Corporation with any federally insured depository institution and complete, execute and deliver any and all documents as may be reasonably required by any such depository institution to establish any such account including, but not limited to, standard signature card and/or form banking resolutions.

RESOLVED FURTHER, that standard form resolutions as may be reasonably required by any such depository institution to be adopted by this Board in connection with the establishment of such account are hereby deemed adopted as resolutions of this Board pursuant to this Written Consent with the same force and effect as if presented to the Board and adopted thereby on the date of this Written Consent, as to which the Secretary may certify and that any depository institution that receives a copy of these resolutions from the Corporation that is certified by the Secretary is entitled to rely thereon for all purposes to establish appropriate accounts in Corporation's name until such depository institution is otherwise notified by Corporation.

Qualification to do Business

RESOLVED, that for the purpose of authorizing the Corporation to do business under the laws of any state, territory or possession of the United States or of any foreign country in which it is necessary or convenient for the Corporation to transact business, the officers of the Corporation are hereby authorized in the name and on behalf of the Corporation to take such action as may be necessary or advisable to effect the qualification of the Corporation to do business as a foreign corporation in any of such states, territories, possessions or foreign countries and in connection therewith to appoint and substitute all necessary agents or attorneys for service of process, to designate or change the location of all necessary statutory offices, and to execute, acknowledge, verify, deliver, file or cause to be published any necessary applications, papers, certificates, reports, consents to service of process, powers of attorney and other instruments as may be required by any of such laws, and, whenever it is expedient for the Corporation to cease doing business and withdraw from any such state, territory, possession or foreign country, to revoke any appointment of agent or attorney for service of process and to file such applications, papers, certificates, reports, revocation of appointment or surrender of authority as may be necessary to terminate the authority of the Corporation to do business in any such state, territory, possession or foreign country.

RESOLVED FURTHER, that any resolutions which in connection with the foregoing shall be certified by the Secretary of the Corporation as having been adopted by the Board pursuant to this Written Consent shall be deemed adopted pursuant to this Written Consent with the same force and effect as if presented to the Board and adopted thereby on the date of this Written Consent, and shall be included in the minute book of the Corporation.

Payment of Expenses

RESOLVED, that the officers of the Corporation are hereby authorized and directed to pay all expenses arising out of the incorporation and formation of the Corporation, including reimbursing any person for such person's verifiable expenses therefor.

Agent for Service of Process

RESOLVED, that CORPORATION SERVICE COMPANY WHICH WILL DO BUSINESS IN CALIFORNIA AS CSC - LAWYERS INCORPORATING SERVICE, 2730 Gateway Oaks Dr., Suite 100, Sacramento, California 95833 shall be appointed the Corporation's agent for service of process.

Subchapter S Election

RESOLVED, that the Corporation shall elect to be taxed as a "small business corporation" under Subchapter S of the Internal Revenue Code, as amended and under the parallel provisions of the laws of the state of California and the officers of the Corporation are hereby authorized and directed to complete and file all proper and necessary documentation and take all appropriate actions necessary for such election including, but not limited to, obtaining the consent of each shareholder of the Corporation to such Subchapter S election.

General Authorization

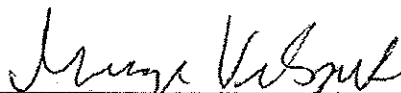
RESOLVED, that the officers of the Corporation are, and each of them hereby is, authorized, empowered and directed, in the name of and on behalf of the Corporation, to make all other arrangements and to take all further action, including the payment of expenditures and the preparation of officer's certificates or any other documents, as the officer deems necessary or appropriate in order to fully effectuate the purposes of the foregoing resolutions.

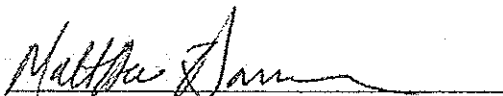
RESOLVED, that any and all actions taken by any officer of the Corporation in connection with the matters contemplated by the foregoing resolutions are hereby approved, ratified and confirmed in all respects as fully as if such actions had been presented to the Board for approval prior to such actions being taken.

IN WITNESS WHEREOF, the undersigned, being all the directors of the Corporation, execute(s) this Written Consent as of the date set forth below.

IN WITNESS WHEREOF, this consent has been executed as of the date below.

Date: 7/22/11


George Vilagut


Matthew Harrison

Brown, Janet

From: The Stephouse [thestephouse@gmail.com]
Sent: Wednesday, August 31, 2011 2:16 AM
To: Brown, Janet
Subject: Response To Additional Questions Prior To Public Hearing On 9/30/2011
Attachments: Page 4 Revised Corporate Resolution 001.jpg

Dear Miss Brown,

StepHouse Recovery Inc., per our phone discussion, has agreed to be prepared and available for the public hearing regarding our request for a "Reasonable Accommodation Permit" on Friday afternoon Sept 30th. We want to thank the City of Newport Beach and yourself for this opportunity to demonstrate our commitment in abiding to the terms and conditions that are set forth for extended residential care homes in Newport Beach.

I am also including for your records a response to your inquiries so that you may properly report and inform your staff.

1. I've attached a corrected resolution page with the proper corporate address.
2. When we administer a drug screen test for a client, the drug screening kit is treated as medical waste, reinserted into its original packaging and sorted in a special storage bag. It is then tied down and on a weekly basis driven and delivered to the Costa Mesa Sanitary District at 628 19th Street Costa Mesa CA 92627.
3. Most of our resident clients are in the early part of their recovery and transitioning from a primary treatment facility. StepHouse Recovery provides a company van for all client transportation needs, therefore clients generally do not have the need to drive a vehicle. Currently we have zero clients that have a vehicle. No vehicles parked on the street, only the company van parked in the driveway.
4. The individual, Tim F., whose agreement expired on 5/15/11 has since then accepted an employment position with StepHouse Recovery as Houseparent. The other client in question, Chris A., whose agreement ends on 9/7/11 plans on renewing with us for terms on a month/month basis. Under such renewal circumstances, StepHouse Recovery does not require a resigned contract.

Please feel free to contact me regarding any further inquiries you may come across.

Respectfully Yours,

George Vilagut
President/CEO
StepHouse Recovery Inc.
714 394 3494
thestephouse@gmail.com

Principal Executive Office

RESOLVED, that the principal executive office of the Corporation shall be located at 2927 Paper Lane, Newport Beach, California 92660.

Bank Account

RESOLVED, that the officers of the Corporation are hereby authorized to establish an account in the name of the Corporation with any federally insured depository institution and complete, execute and deliver any and all documents as may be reasonably required by any such depository institution to establish any such account including, but not limited to, standard signature card and/or form banking resolutions.

RESOLVED FURTHER, that standard form resolutions as may be reasonably required by any such depository institution to be adopted by this Board in connection with the establishment of such account are hereby deemed adopted as resolutions of this Board pursuant to this Written Consent with the same force and effect as if presented to the Board and adopted thereby on the date of this Written Consent, as to which the Secretary may certify and that any depository institution that receives a copy of these resolutions from the Corporation that is certified by the Secretary is entitled to rely thereon for all purposes to establish appropriate accounts in Corporation's name until such depository institution is otherwise notified by Corporation.

Qualification to do Business

RESOLVED, that for the purpose of authorizing the Corporation to do business under the laws of any state, territory or possession of the United States or of any foreign country in which it is necessary or convenient for the Corporation to transact business, the officers of the Corporation are hereby authorized in the name and on behalf of the Corporation to take such action as may be necessary or advisable to effect the qualification of the Corporation to do business as a foreign corporation in any of such states, territories, possessions or foreign countries and in connection therewith to appoint and substitute all necessary agents or attorneys for service of process, to designate or change the location of all necessary statutory offices, and to execute, acknowledge, verify, deliver, file or cause to be published any necessary applications, papers, certificates, reports, consents to service of process, powers of attorney and other instruments as may be required by any of such laws, and, whenever it is expedient for the Corporation to cease doing business and withdraw from any such state, territory, possession or foreign country, to revoke any appointment of agent or attorney for service of process and to file such applications, papers, certificates, reports, revocation of appointment or surrender of authority as may be necessary to terminate the authority of the Corporation to do business in any such state, territory, possession or foreign country.

Brown, Janet

From: The Stephouse [thestephouse@gmail.com]
Sent: Tuesday, September 20, 2011 1:35 PM
To: Brown, Janet
Subject: StepHouse Recovery Operations Update Effective Sept 1st, 2011

Janet,

It was nice talking to you in advance of our scheduled hearing for a reasonable accomodation permit scheduled for Sept 30 at 3pm.

StepHouse Recovery Inc. has added a third location at 2102 Canyon Circle in Costa Mesa Ca 92626. This home is a men's executive extended care facility catering to clients who have a need for recovery. Matthew Harrison has moved to this location and has been replaced by a former client Tim Fisher who is now the Houseparent at 2927 Paper Lane in Newport Beach, CA.

Please feel free to give me a call if you have any other questions.

Respectfully Submitted,

George Vilagut
StepHouse Recovery
CEO/President
714 394 3494

Hearing Officer

Attachment F

Rental Agreement between StepHouse
and Property Owner

StepHouse Recovery, Inc.

Friday, July 1st, 2011

Kimberly Brandt AICP
Community Development Director
Community Development Department
Planning Division
3300 Newport Boulevard Building C
Newport Beach, CA 92663

RECEIVED BY
PLANNING DEPARTMENT

JUL 07 2011


CITY OF NEWPORT BEACH

Dear Miss Brandt,

This letter acts to inform you that Daniel Henry, owner of the residence located at 2927 Paper Lane has provided me with a waiver for the Occupants And Guests, Assignment And Subletting, Use Of Premises conditions of the lease so that I may use the residence to operate the StepHouse Recovery Inc, business.

If you have any questions regarding the waiver that Daniel Henry has furnished me, he has asked for the City of Newport Beach to call him directly at 949-500-8666.

Respectfully Yours,


George Vilagut
CEO/President
StepHouse Recovery, Inc.
714-394-3494

RENTAL AGREEMENT

This agreement is entered into this 19 Day of April 2010.

Owner: Daniel S. Henry

Tenant: George James Vilagut

In consideration for their mutual promises agree as follows:

Owner rents from tenant and tenant rents from owner the premises known as:

Street: 2927 PAPER LANE City: NEWPORT BEACH, California 92660

In the event owner or owner's agent is unable to deliver possession of the premises to the tenant for any reason, including but not limited to, failure of the previous tenant to vacate or partial or complete destruction of the premises, tenant shall have the right to terminate this agreement. In such event, owner or owner's agent's liability to tenant shall be limited to the return of all sums previously paid by tenant to owner.

AGENCY DISCLOSURE: Daniel Henry is the exclusive agent of the owner (lessor). This means a fiduciary duty of utmost care, integrity, honesty and loyalty in dealing with the owner.

TENANCY: (X) This is a twelve (12) month lease beginning May 1, 2010 and ending April 30, 2011.

RENT: Rent is due in **advance**, on the first day of each and every month in the sum of Two Thousand Eight Hundred Dollars (\$2,800.00) per month. **A late charge in the amount of \$175.00, will be charged for any rent received after the 3rd calendar day of any rent due date.** If rent due is not paid by the 3rd calendar day, after rent due date, a 3-Day Notice to Pay Rent or Quit will be issued and eviction proceedings initiated. Tenant agrees to have rent deposits made by ACH deposit to his JP Morgan Chase Account. Tenant will electronically transfer rent between his banking institution and the owners. Residents will be charged for preparation and service of any notice, due to non-compliance with the terms of this rental agreement in the amount of \$100.00 per service. This charge will become due and payable immediately and may also be deducted from the resident's security deposit.

RENT PRORATION: In Conjunction with the signing of this lease rent in the amount of \$2,800.00 has been received, representing rent from May 1-May 31, 2010. \$2,800.00 has also been received representing the last month's rent of this lease or renewal of this lease, whichever is later. Tenant will be given early possession of the house effective April 19, 2010.

PAYMENT OF RENT: Rent shall be deposited by, (ACH), or taken to a JP Morgan Branch for direct deposit at tenant's option. Checks shall be made payable to **Daniel S. Henry**. Post-dated checks and two-party checks will not be accepted. Payment must be from the signers of the rental agreement. Deductions made from rents without written permission of the owner will be considered unpaid rent and will subject tenant to a late charge in the amount specified above. Tenants making a partial payment of rent will still be subject to the late charge specified above.

LATE RENTS: Rent can be deposited into be paid by cashier's check or money order. **Residents understand and agree that owner or owner's agent will apply all moneys received, first to unpaid rent and handling charges, unpaid maintenance charges, fines, unpaid utility charges due by residents, unpaid security deposit and attorney's fees, second to any past due rent and third to any current rent due or coming due.**

PLACE WHERE, WRITTEN NOTICES AND/OR WRITTEN COMMUNICATIONS ARE TO BE SENT OR PERSONALLY DELIVERED:

Daniel S. Henry
P.O. Box 10639
Newport Beach, CA 92658-8685
(949) 500-8666

RETURNED CHECKS: In the event a check is returned by the bank for any reason (non-sufficient funds, stopped payment, etc.) Tenant agrees:

- (a) To replace the returned check with a cashier's check within 24 hours.
- (b) To pay a thirty dollar (\$50.00) returned check charge with the replacement cashier's check/money order.
- (c) To pay a late charge in accordance with rent *paragraph*.
- (d) To pay all future rents with a cashier's check or money order after the first returned check.

SECURITY DEPOSIT: Owner acknowledges receipt of \$2,800.00 as security deposit. Within 21 days after resident vacates, owner or owner's agent will furnish tenant a security deposit statement, itemizing any deductions, with a refund of the remaining amount.

Tenant understands that the security deposit is not last month's rent and that tenant will be responsible for any and all unpaid rent at the time of vacating the premises.

UTILITIES: Tenant shall pay for all utilities made payable or predicated upon occupancy of tenant.

OCCUPANTS AND GUESTS: Premises shall be occupied only by the following persons. Occupancy by anyone other than the following persons for more than (14) nights shall constitute a breach of this agreement unless prior written consent is given in writing by owner or owner's agent:

MATT HARRISON
DOB: 1/23/68

ASSIGNMENT AND SUBLETTING: No portion of the premises shall be sublet nor this agreement assigned. Any attempted subletting or assignment by tenant, at the election of owner, shall be a breach of this agreement.

INVENTORY: A stove, microwave and dishwasher are included in this rental agreement. Any other appliance is not included in this rental agreement. If a refrigerator is on the property, the owner or owner's agent will not maintain or repair the same, it being the obligation of the tenant to do so. Furnace Filters can be found in the utility closet and should be replaced by tenant every 6-8 month. Call owner if instructions are needed on how to change filter.

In the garage, tenant shall not remove or relocate 1 roll of carpeting, dishwasher or attic stock for the property including, paint cans, tile or other items in garage cabinets. All other areas of the garage tenant may use as they see fit.

PROPERTY CONDITION: The tenant takes possession to the property in "as is" condition. The tenant and the owner or owner's agent have agreed on the rent in consideration of the tenant taking the premises in "as is" condition, both inside and outside the building, and on the tenant's promise to make any cosmetic repairs to the property, (excluding habitability items) so that it is livable for the tenant, and on the promise that the tenant maintain the property in good condition.

Any service calls for plumbing or drain related problems shall be paid fully by residents, unless problem is directly caused by roots. Should plumbing problems arise due to normal wear and tear landlord will remedy at his expense.

1/16

ALTERNATIONS AND REPAIRS: Except in the event of an emergency, no repairs, decorating or alterations shall be done without owner's or owner's agent prior written consent. Tenant shall notify owner or owner's agent in writing of any repair or alteration contemplated. Decorations include but are not limited to, painting, wallpapering, and hanging of murals or posters. Tenant shall hold owner and owner's agent harmless as to any mechanics lien or recordation caused by tenant and agrees to indemnify owner or owner's agent by producing a bond in the event of any such claim or proceeding. Tenant agrees that all improvements installed on the premises, including landscaping, carpet, drapes etc., and shall remain with the property upon termination of the rental agreement at no cost to the owner.

PETS: No pets such as birds, animals, fish, except trained dogs needed by blind, deaf or physically disabled persons, shall be kept on the premises without the written consent of the owner or owner's agent.

Any consent so given, may be withdrawn, if, in the opinion of the owner, such pets causes a nuisance, causes complaint from neighbors, or otherwise adversely affect the normal maintenance of the property. Pets shall primarily be kept outside so no pet odor is created on the inside of home.

WINDOWS: Any broken windows, ripped or bent screens shall be replaced at tenant's expense.

FIREPLACES: Tenants are to have all fireplaces, flues and chimney professionally inspected and cleaned as necessary. **Tenant understands that fireplaces can be dangerous when they are dirty from continuous use, when burning paper or the wrong types of wood, when storing or replacing items next to a burning fire, or when left unattended. You should never try to burn Christmas trees, paper products and/or milled, treated or painted wood products. Watch out for chimney fires, if you see any flames coming from the top of the chimney you need to call 911, or the fire department.**

SMOKING: Tenants understand that there shall be no smoking on the inside of the home. Smoking stains the interior paint and ceiling and causes an odor in the home. Tenant shall pay owner, at owner's discretion an amount not to exceed \$1,500 to have the interior repainted and fumigated.

SMOKE DETECTOR: A smoke detector is in place and was tested during walk-through inspection. Tenant has inspected, has tested all smoke detectors prior to the execution of this rental agreement and found them to be in good working condition. Tenant agrees to test detector at least once per week. If the detector is battery powered, tenant agrees to replace the battery as needed. After replacing the battery, if the smoke detector still does not work, tenant agrees to inform owner or owner's agent immediately in writing. If the detector is not battery powered, tenant agrees to notify owner or owner's agent immediately of any malfunctions. Tenants agree to hold owner and owner's agent harmless from any liability whatsoever for damages to people

Handwritten signature and initials in the bottom right corner of the page.

or property that may arise, or allege to have arisen as a result of failure of a smoke detector during the term of this rental agreement.

Page 4 of 9

SEVERABILITY: If any provision of this agreement or its application is held invalid, it will not affect other provisions or applications herein, which can be given effect without the invalid provision or application. To this end all provisions of this Rental Agreement are severable.

MOVE OUT INSPECTION: If the tenant schedules a move out inspection and the property is not ready for the move-out inspection at the agreed upon time, tenant agrees to pay a \$100.00 trip charge. "Ready" means that the tenant is completely moved out, all repairs, cleaning and landscaping are complete, and the electricity and gas are on.


MOVE IN INSPECTION: Owner or owner's agent has performed a detailed move-in inspection. Tenant agrees to inspect property thoroughly before executing this agreement and note any items (i.e.: broken glass, damaged items etc.) under rental agreement additional provision in this document. The tenant will also have an additional 7 days to report in writing any discrepancies to the owner's agent, which may be discovered. In the event no such written notice is received the premises will have been assumed to be in good condition with any exceptions noted in the additional provisions section of this agreement.

USE OF PREMISES: Premises shall be used as a residence only. Operating a business (auto repair, handyman, house cleaning, etc.) from this property is prohibited. Tenant shall not violate any governmental law in use of premises, commit waste or nuisance, annoy, molest, or interfere with any other tenant or neighbor. Day care operators must be licensed, must provide proof of liability insurance in the amount of \$300,000, must name the owner and owner's agent as additional insured under the policy with a waiver of subrogation rider/endorsement. Security deposit will be increased to (2) month's rent. Tenant shall not display any sign or exhibit on the premises.

CARS: Any vehicle that is parked on the premises that is not in running condition, without motor or otherwise not currently registered, for more than 3 days may be towed off property at tenant's expense. Tenants will not allow or permit repair work to automobiles, motorcycles, etc., to be conducted on or any part of the property or surrounding residence.

CARPETS/DRAPES: Upon moving out of the premises, carpets are to be professionally steam cleaned, using the hot water extraction method by a professional carpet cleaning service. Tenant's security deposit account will be charged for carpet cleaning. Additional carpet cleaning expenses will be charged to tenant for carpet deodorant and de-fleaing if pets are involved. Dry cleaning of drapes is mandatory if soiled or if tenants smoke.

HOLD HARMLESS AND WAIVER: NO INSURANCE IS PROVIDED BY OWNER FOR TEANANT'S PERSONAL PROPERTY. Tenant agrees to indemnify and hold owner and

A handwritten signature in black ink, appearing to be 'JUV' followed by a stylized flourish or initials.

owner's agent harmless and in no way accountable for any liability for personal injury or property damage caused or permitted by tenant or any other person on the premises with tenant's consent. **Tenants should carry "Renter's Insurance" and are aware that owner's insurance coverage does not carry damage to tenant's personal belongings. Tenants agree to hold owner and owner's agent harmless from claims, demands, damages or liability arising out of the premises caused by or permitted by tenants, tenant's family, employees and/or guests.**


Page 5 of 9

DAMAGE TO PREMISES: If the premises is so damaged by fire, disaster or any other cause to render them uninhabitable, then either party shall have the right to terminate this rental agreement as of the date on which such damage occurs, through written notice to the other party, to be given within 15 days after the occurrence of such damage, except that should such damage occur as a result of the abuse or negligence of tenants, or tenants guests, then owner only shall have the right to termination. Should this right be exercised by either party, then rent shall be charged only to the date damage occurred and any prepaid rent or unused security deposit shall be refunded to the residents. If this rental agreement is not terminated, then owner shall promptly repair the premises, with any rent reduction to be agreed upon prior to the repairs being started.

RIGHT OF ENTRY: Upon not less than 24 hours advance notice, tenants shall make the premises available during normal business hours to owner or owner's agent, for the purpose of entering:

- (a) To make necessary agreed repairs, decorations, alterations or improvements or to supply necessary or agreed services and/or:
- (b) To show the premises to prospective or actual purchasers, bank or mortgage lenders, tenants, insurance agents, contractors or any other person owner or owner's agent deems appropriate. In an emergency, owner or owner's agent may enter the premises at any time without accruing prior permission from tenants for the purpose of making corrections or repairs to alleviate such emergency.

WAIVER BY OWNER: The waiver of owner or owner's agent of any breach shall not be construed to be continuing waiver of any subsequent breach. The receipt by the Owner of rent with the knowledge of any violation of a covenant or condition hereto shall not be deemed a waiver of such breach. No waiver by Owner or Owner's agent of the provisions herein shall be deemed to have been made unless expressed in writing and signed by owner.

9/10 

WATERBEDS: If tenant owns a waterbed, tenant agrees to provide owner or owner's agent with a copy of waterbed insurance naming owner and owner's agent as additional insured within 10 days of occupancy. Should tenant fail to do so, this will constitute a breach of this rental agreement.

Page 6 of 9

MULTIPLE OCCUPANCY: Tenant acknowledges that this rental agreement is between owner and the resident executing this rental agreement, jointly and severally.

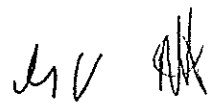
TERMINATION OF TENANCY: Except as provided by law or as set forth in this agreement, this lease agreement may be terminated by either party after the lease term by service upon the other of a written 30-Day Notice of Termination of Tenancy. Tenant agrees to pay rent through the 30-day Notice period or the date of surrender of all keys to the property, whichever occurs later. Any holding over past the 30-Day Notice shall result in Tenant being liable to owner for "rental damage" at the rate of 1.5 times the contract rent or \$140.00 per day.

ATTORNEY FEES: The prevailing party in any legal action brought for the recovery of rent or other moneys due or become due or to become due under this rental agreement or by reason of a breach of any covenant, provision or clause herein contained for the recovery of possession of said premises, or to compel the performance of anything agreed to be done herein or to recover the damages to said property or to enjoin, any act contrary to the provision including, but not limited to, shall be entitled to reasonable attorney fees and costs. If any dispute arises regarding this rental agreement, owner and tenant agree to waive all rights to a jury trial. Both parties acknowledge this consent and understand its ramification.

INSPECTION OF THIS AGREEMENT BY COUNSEL: The tenant understands and has been given the opportunity to have this agreement reviewed by an attorney. If any provision of this agreement is not understood, we urge you to have it explained to you by a legal professional, before signing.

YOUR CREDIT STANDING: is one of your greatest assets-only you can earn it and protect it. To maintain a good credit rating, all payments should be made on or before the due date specified in this rental agreement. As required by law and pursuant to Civil Code section 1785.26, you are hereby notified that a negative credit rating may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligation with us. A negative credit rating will appear on a credit report and may affect your ability to borrow or rent in the future.

LEAD BASED PAINT WARNING: The property you are renting was built before 1978. Housing built before 1978 may contain lead-based paint. Lead form paint, paint chips and dust can pose health hazards if not taken care of property. Lead exposure is especially harmful to young children and pregnant women. The owner has no knowledge of lead-based paint and/or



lead-based paint hazards in the unit. Tenant has received the form *Disclosure of Information on Lead-Based Paint Hazards* and the pamphlet *Protect your Family from Lead in your Home*.

Page 7 of 9

GOVERNMENT LAWS: All government, city and state laws and ordinances shall be complied with by tenant. Should a fine or corrective notice be found cited against the property as a result of a breach of any part of this rental agreement, tenant agrees to pay for such fines and corrective action at tenants sole cost and expense.

RIGHTS AND REMEDIES: The parties to this agreement shall have all rights and remedies afforded them by the laws of the State of California or any local government therein.

KEYS: Owner or owner's agent to retain keys to the property. If the tenant changes the locks, this work shall be done by a licensed locksmith tenant shall furnish a duplicate set of keys to the owner or owner's agent within five (5) days. If tenant fails to do so, owner may immediately obtain the services of a locksmith to make such duplicate set and charge all costs to tenant. Tenant hereby accepts one key. Should keys not be returned the day of vacating the premises, tenant agrees to pay (\$75.00) to re-key unit. **Tenant has been furnished with 2 keys and 1 garage door opener for property.**

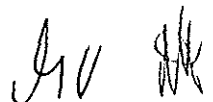
TRASH: If tenant has trash that exceeds the normal pick up, tenants are to arrange to have it hauled away. No excessive trash is to be left on the property at any time.

LANDSCAPING: A gardener paid by owner is included in this lease. Tenant agrees to water and rear landscaping of property at all times at their cost and expense. This means watering yard at every other day.

INTERPRETATION OF CONTRACT: Tenant does not X need an interpreter and can understand the rental agreement.

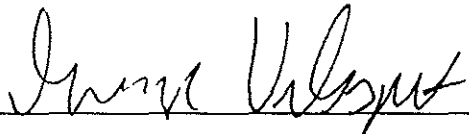
RENTAL AGREEMENT ADDITIONAL PROVISIONS: All rent starting June 1, 2010 shall be deposited via (ACH) transfer. JP Morgan Chase Routing#322271626...Account#398-2089315

Daniel S. Henry

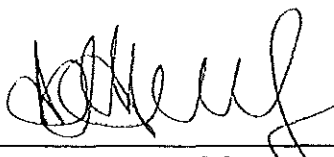


Page 8 of 9

The undersigned tenant acknowledges having read and understood the above rental agreement prior to execution and received a copy thereof. This agreement and any supplement or modification relating hereto, including a photocopy of facsimile thereof, may be executed in two or more counterparts, all of which shall constitute one and the same writing.

Tenant:  Date: 4/19/10

George James Vilagut

OWNER:  Date: 4/19/10

Daniel S. Henry

LEASE AGREEMENT (Renewal)

This agreement is entered into this 30 Day of March 2011

Owner: Daniel S. Henry

Tenant: George James Vilagut

In consideration for their mutual promises agree as follows:

Owner renews the original lease agreement dated April 19, 2010 from May 1, 2011 through and until April 30, 2012 for the premises known as:

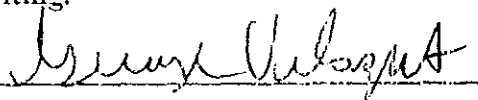
Street: 2927 PAPER LANE City: NEWPORT BEACH, California 92660

There will be a change in the following terms of the lease dated April 19, 2010 as follows:

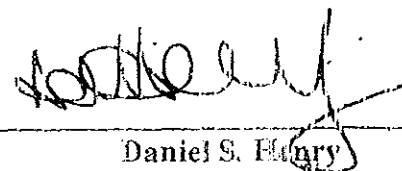
- (a) Rent: Due in advance, on the first day of each and every month in the sum of Two Thousand Eight Hundred Seventy-Five (\$2,875.00) per month.

Except as noted in this paragraph all terms and conditions of every kind and nature, including addendums, in the original lease agreement dated April 19, 2010 remain in full force and effect and are incorporated by reference into this renewal document.

The undersigned tenant acknowledges having read and understood the above lease renewal agreement prior to execution and received a copy thereof. This agreement and any supplement or modification relating hereto, including a photocopy of facsimile thereof, may be executed in two or more counterparts, all of which shall constitute one and the same writing.

Tenant:  Date: 3/31/11

George James Vilagut

OWNER:  Date: 4/1/11
Daniel S. Henry

Hearing Officer Attachment G

StepHouse Client Rental Agreements

Stephouse Recovery, Inc.
Client Rental Agreements
Received 7/7/11

Our mission is to be the premier provider of extended care housing by providing an alcohol- and drug-free residence in a clean, safe and supportive environment. Our residents will be adult alcoholics and addicts who are motivated to continue their recovery, committed to staying sober, and agree to remain active in their recovery program.

Prospective Residents

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The Stephouse guests are required to maintain their admission requirements throughout their stay and submit to random testing and adhere to The Stephouse rules.

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(714) 394-3494 • (714) 528-7858
www.Stephouserecovery.com

ALCOHOL AND DRUG-FREE RESIDENT AGREEMENT

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The undersigned resident agrees to participate in and abide by the policies, rules and regulations of The Stephouse Recovery Inc. The undersigned agrees to vacate from the shared housing accommodations when alcohol and/or illicit drugs are used or by not abiding these cardinal rules.

The undersigned agrees to pay a shared housing fee of \$ / 30 Days, for 180 days from date of contract. Fee payments are non-refundable. Resident fees include utilities and maintenance service. The monthly shared housing fee is due the 1st day of every month, may be pro-rated dependent upon admittance. There will be a \$25 a day late fee assessed after the 5th of the month.

All residents agree to the following cardinal rules as a condition of residency:

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2. No violence or threats of violence or the possession of weapons.
3. Maintain their space in a clean, healthy, orderly and safe manner.
4. Smoking is permitted in designated areas only.
5. Absolutely no fraternizing with other house guests or Stephouse Recovery Inc. employees.

All spaces are properly furnished and are kept clean and orderly. The Stephouse Recovery Inc. manages the utility use, furnishings, maintenance, and upgrade of all lodging spaces. Each resident provides their own food, toiletries, electronics and personal needs. .

The undersigned releases the Management and The Stephouse Recovery Inc, from any liability related to the conditions of the agreement.

Name

Date

11/15/2010

Signature

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Name

Date 2/1/2011

Signature

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Name

Date

3/7/2011

Signature

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Date

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Name

Date

6/4/2011

Signature

Stephouse Recovery, Inc.
Client Rental Agreements w/ Client Name
Received 7/8/11

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Name Tim F

Signature Tim F

Date 11/15/2010

ALCOHOL AND DRUG-FREE RESIDENT AGREEMENT

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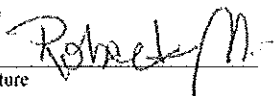
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Robert M
Name _____
Signature  _____

2/1/2011
Date _____

ALCOHOL AND DRUG-FREE RESIDENT AGREEMENT

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Chris A.
Name
Chris A.
Signature

3/7/2011
Date

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Josh S
Name
Signature

4/1/2011
Date

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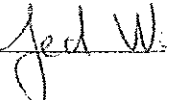
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Jed W.
Name
Signature 

6/4/2011
Date

Stephouse Recovery, Inc.
Client Rental Agreements w/ Corrected
Information
Received 7/14/11

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Tim F.

11/15/2010

Signature

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3. Maintain their space in a clean, healthy, orderly and safe manner.
4. Smoking is permitted in designated areas only.
5. Absolutely no fraternizing with other house guests or Stephouse Recovery Inc. employees.

All spaces are properly furnished and are kept clean and orderly. The Stephouse Recovery Inc. manages the utility use, furnishings, maintenance, and upgrade of all lodging spaces. Each resident provides their own food, toiletries, electronics and personal needs.

The undersigned releases the Management and The Stephouse Recovery Inc, from any liability related to the conditions of the agreement.

Robert Mc

2/1/2011



Signature

ALCOHOL AND DRUG-FREE RESIDENT AGREEMENT

The undersigned acknowledges and understands that he is living in an alcohol and other drug-free shared housing, managed by the residents living together as a family of persons with disabilities. The undersigned understands that they reside in a congregate housing situation and not in an exclusive unit or space. The undersigned understands they do not reside as a tenant with rights or possession of housing space exclusively until 4/1/2011.

The undersigned resident agrees to participate in and abide by the policies, rules and regulations of The Stephouse Recovery Inc. The undersigned agrees to vacate from the shared housing accommodations when alcohol and/or illicit drugs are used or by not abiding these cardinal rules.

The undersigned agrees to pay a shared housing fee of \$ / 30 Days, for one year from date of contract. Fee payments are non-refundable. Resident fees include utilities and maintenance service. The monthly shared housing fee is due the 1st day of every month, may be pro-rated dependent upon admittance. There will be a \$25 a day late fee assessed after the 5th of the month.

All residents agree to the following cardinal rules as a condition of residency:

1. Remain alcohol and other drug free. This includes selling, possession, or consumption. Physical and mental health medication drugs are allowed but must be included in the resident application.
2. No violence or threats of violence or the possession of weapons.
3. Maintain their space in a clean, healthy, orderly and safe manner.
4. Smoking is permitted in designated areas only.
5. Absolutely no fraternizing with other house guests or Stephouse Recovery Inc. employees.

All spaces are properly furnished and are kept clean and orderly. The Stephouse Recovery Inc. manages the utility use, furnishings, maintenance, and upgrade of all lodging spaces. Each resident provides their own food, toiletries, electronics and personal needs. .

The undersigned releases the Management and The Stephouse Recovery Inc, from any liability related to the conditions of the agreement.

Josh Stewart

4/1/2011

Signature

Hearing Officer Attachment H

Notice of Conditional Abatement to
StepHouse dated July 13, 2011



CITY OF NEWPORT BEACH

OFFICE OF THE CITY ATTORNEY

David R. Hunt, City Attorney

July 13, 2011

*Via U.S. Regular Mail and
Email: thestephouse@gmail.com*

Mr. George Vilagut
Executive Director
StepHouse Recovery, Inc.
2927 Paper Lane
Newport Beach, CA 92660

RE: Conditional Abatement: Paper Lane, 2927 (StepHouse)
Matter No.: A11-00528

Dear Mr. Vilagut:

Thank you for meeting with Associate Planner Janet Brown and me last week to discuss the reasonable accommodation application you have submitted for StepHouse Recovery, Inc. ("StepHouse"). We appreciate your cooperation in providing us with the additional information the City requires.

The land use classification for StepHouse's 2927 Paper Lane facility is Residential Care, Limited Unlicensed. As we discussed, this conditional abatement notice is being sent to you because StepHouse established its 2927 Paper Lane facility in a Single-Unit Residential (R-1) zoning district, where such uses are prohibited, without first applying for and receiving a reasonable accommodation from the City. Therefore, StepHouse's 2927 Paper Lane facility currently constitutes an illegal use, and is subject to abatement.

As requested by the City, you have supplied us with copies of StepHouse's lease with the owner of 2927 Paper Lane, which expires on April 30, 2012. You have also provided us with redacted copies of the rental agreements StepHouse has entered with its current residents. The five rental agreements appear to expire on, respectively, September 7, 2011, November 15, 2011, February 1, 2012, April 1, 2012 and June 4, 2012.

The documents you provided establish to the City's satisfaction that you have existing contracts with disabled residents. You have also agreed not to accept any new resident clients at 2927 Paper Lane until the hearing on your reasonable accommodation application has occurred and a determination is issued by the City's independent hearing officer.

Telephone: (949) 644-3131 • Fax: (949) 644-3139
City Hall • 3300 Newport Boulevard • Post Office Box 1768
Newport Beach California 92658-8915 • www.city.newport-beach.ca.us

Mr. George Vilagut
July 13, 2011
Page: 2

Although the use is currently subject to abatement, to allow you to fulfill your obligations to your existing disabled clients, the City will refrain from instituting abatement proceedings until the expiration of StepHouse's existing lease with the owner of 2927 Paper Lane, April 30, 2012. This conditional abatement date will apply only if the hearing officer denies StepHouse's reasonable accommodation application. If the requested accommodation is denied, the hearing officer may adjust this date to allow current StepHouse residents to complete their intended length of stay.

As we discussed, StepHouse must complete its application within 30 days of our July 7, 2011 meeting. Staff will schedule an administrative hearing within 90 days of the date it determines the application is complete.

Thank you for your cooperation. If you have questions, please feel free to contact the undersigned at (949) 644-3131, or Janet Brown at (949) 644-3236.

Sincerely,

OFFICE OF THE CITY ATTORNEY



Catherine Wolcott
Deputy City Attorney

CW:da

cc: Janet Brown, Associate Planner
Kimberly Brandt, AICP, Community Development Director

Hearing Officer Attachment I

City-Authorized Recovery Facilities, as of
May 2011

City-Authorized Recovery Facilities in Newport Beach (as of May 23, 2011)

(* = Based on CNB's observation as of most recent interior facility inspection)

Operator Name	Method of Approval	ADP License (Y or N)	# of Facilities	Authorized # Client Beds	Operator Reported # Beds	Verified # Client Beds *	In Compliance (Y or N) *	Comments
Sober Living by the Sea	DA		15	204	90 (as of 1-11-11)			Inspected bi-annually per DA. Inspections limited to 4 facilities selected by Code Enforcement.
4138 Patrice Rd.		Pending			6	6	Y	Inspected on 9-29-10. Observed 1 staff bed. No complaints regarding this facility
4711 Seashore Dr.		Y			6	6	Y	Inspected on 9-29-10. No complaints regarding this facility
4711 1/2 Seashore Dr.		N			2	2	Y	Inspected on 4-28-11. Dwelling used as staff quarters until 9-1-10, then converted to client use.
505 29 th St.		Y			6	6	Y	Inspected on 7-28-10. No complaints regarding this facility
3980 Seashore Dr.		N			6			
112 40 th St. Unit A		N			(2 staff)			Staff quarters only; did not inspect
112 40 th St. Unit B		N			6	5	Y	Inspected on 1-31-11. No complaints regarding this facility
4500/4504 Seashore Dr.		Y			10	8	Y	Inspected on 1-31-11. No complaints regarding this facility. Licensed by ADP as a single facility
126 44 th St. Units A & B		N			9	9	Y	Inspected on 1-31-11. No complaints regarding this facility
4800 Seashore Dr. Units A & B		Y			9			Licensed by ADP as a single facility
5004 Neptune Ave. Unit A		N			6	6	Y	Inspected on 7-28-10. No complaints regarding this facility
5004 Neptune Ave. Unit B		N			6	6	Y	Inspected on 7-28-10. No complaints regarding this facility
5101 River Ave. Unit B		Y			6	6	Y	Inspected on 7-28-10. No complaints regarding this facility
6110 West Ocean Front		Y			6	6	Y	Inspected on 9-29-10. No complaints regarding this facility
6111 Seashore Dr.		Y			6	6	Y	Inspected on 4-27-10. No complaints regarding this facility
Morningside Recovery	DA		5	36	34 (as of 4-21-11)			Inspected quarterly per DA. Inspections limited to 2 facilities selected by Code Enforcement.
533 Via Lido Soud		N			6	6	N	Inspected on 5-5-11. Complaints regarding secondhand smoke (Condition No. 7), noise during Quiet Hours (Condition 12), and deliveries (Condition 14)
4823 River Ave. Unit A		N		6 per DA	5			Complaints received re: parking, litter and uncovered trash cans. Operator cited.
4823 River Ave. Unit B		N		6 per DA	6			Complaints received re: parking, litter and uncovered trash cans. Operator cited.
29 Ima Loa Court		N		6 per DA	6	6	N	Inspected on 5-5-11. Complaints regarding secondhand smoke (Condition 7)
100 Via Antibes, 102 Via Antibes, 208 Via Lido Soud		N		12 per DA	11		N	Inspected on 5-5-11. 2 garage spaces not accessible for parking (Condition 9)
Pacific Shores Recovery			2	24				
492 Orange Ave	RA	N		12				Letter sent 4-14-11 re: Condition 3 (Occupancy Levels) and request to inspect premises. Follow-up letter from Fire Marshal sent 5-13-11, and from Planning Division sent 5-17-11.

City-Authorized Recovery Facilities in Newport Beach (as of May 23, 2011)

(* = Based on CNB's observation as of most recent interior facility inspection)

Operator Name	Method of Approval	ADP License (Y or N)	# of Facilities	Authorized # Client Beds	Operator Reported # Beds	Verified # Client Beds *	In Compliance (Y or N) *	Comments
492 ½ Orange Ave.	RA	N		12				Letter sent 4-14-11 re: Condition 3 (Occupancy Levels) and request to inspect premises. Follow-up letter from Fire Marshal sent 5-13-11, and from Planning Division sent 5-17-11.
Ocean Recovery			2	32				
1115 West Balboa Blvd.	UP	Y		18				Complaints received re: 2nd-hand smoke, access to garage, assembly uses, smoking on boardwalk. Operator notified; issues corrected. Received complaint that the facility does not have staff on-site 24/7. Ocean recovery provided documentation that they do. No further complaints received. Licensed by ADP as a single facility.
1601 West Balboa Blvd.	UP	Y		14				Licensed by ADP as a single facility
Balboa Recovery			3	18				Facility at 124 30th St. inspected annually per RA.
204 21 st St.	RA	N		6				
124 30 th St.	RA	N		6	6	6	Y	Inspected on 3-22-11. No complaints regarding this facility
3206 & 3206 ½ West Balboa Bl.	RA	N		6				
Balboa Horizons			1	11				
1132 West Balboa Blvd.	UP	Y		11				Licensed by ADP as a single facility
LMS Properties			1	4				
900 West Balboa Blvd.	RA	N		4				
ADP-Licensed Facilities (not subject to City authorization)								
Ocean Recovery – 1217 W. Bay Ave.	ADP	Y	1	6				Complaints received re: 2nd-hand smoke. Operator notified; facility converted to non-smoking. Complaint received regarding unpermitted commercial filming. The producer obtained a permit. Several complaints received re: smoking and other minor issues related to the film production. Those issues were quickly addressed by the film production company.
Adelante Recovery – 49 Montecito Dr.	ADP	Y	1	6				
Miramar Recovery–435 Dahlia Ave.	ADP	Y	1	6				
Miramar Recovery–435½ Dahlia Ave.	ADP	Y	1	6				
Pat Moore Foundation - 207 28 th St, lower unit.	ADP	Y	1	6				
Totals to Date			34	259				

City-Authorized Recovery Facilities in Newport Beach (as of May 23, 2011)

(* = Based on CNB's observation as of most recent interior facility inspection)

Operator Name	Method of Approval	ADP License (Y or N)	# of Facilities	Authorized # Client Beds	Operator Reported # Beds	Verified # Client Beds *	In Compliance (Y or N) *	Comments
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Comparison with 2007			Est. # Fac.		Est. # Client Beds		
Estimated # Facilities & Beds (based on City of NB estimate)			86		672		672 Est. # Client Beds in mid-2007 versus 358 # Currently Authorized Client Beds (to date)
					Est. # Client Beds versus 2011 Authorized # Client Beds		
% of 2007 amount in 2011			28%		53%		

Fire Clearances approved March 1 – March 31, 2011: None

For a complete list of ADP-licensed facilities, please refer to the following link: [California Department of Alcohol and Drug Programs Listing of Licensed Treatment Facilities](#)

LEGEND: DA=Development Agreement; RA = Reasonable Accommodation; UP = Use Permit; ADP = California Department of Alcohol and Drug Programs

Hearing Officer Attachment J

NBMC Sections 20.52.030.G and
20.52.030.H

E. Project review and notice and hearing requirements. Each application shall be reviewed by the Director to ensure that the proposal complies with all applicable requirements of this Zoning Code.

1. **Public hearing required.** A public hearing shall be conducted prior to any decision on an application for a Conditional Use Permit.
2. **Notice and hearing requirements.** Notice of the public hearing shall be provided, and the hearing shall be conducted, in compliance with Chapter 20.62 (Public Hearings).

F. Approval, modification, or revocation of Conditional Use Permit.

1. The review authority identified in Table 5-1 (Section 20.50.020) is designated to approve, conditionally approve, or deny applications for Conditional Use Permits in residential zoning districts and the modification or revocation thereof, in compliance with the procedures provided in this Section.
2. Decisions of the review authority may be appealed to the Council in compliance with Chapter 20.64 (Appeals). Review for an appeal from a decision of the Commission shall be de novo. On an appeal from a decision of the Hearing Officer the Council shall determine whether the findings made by the Hearing Officer are supported by substantial evidence presented during the evidentiary hearing. On review the Council may sustain, reverse, or modify the decision of the Commission or Hearing Officer or remand the matter for further consideration, which remand shall include either specific issues to be considered ~~or a direction for a de novo hearing.~~

→ **G. Development and operational standards.** The following standards are applicable to uses granted a Conditional Use Permit in compliance with this Section.

1. **Management and operation plan.** The use shall be operated in compliance with applicable State and local law and in compliance with the management and operating plan and rules of conduct submitted as part of the application for a Conditional Use Permit or as identified in the conditions of approval for a Conditional Use Permit. Each plan shall provide a phone number by which the operator may be contacted at all times. If applicable, the permittee shall comply with the Business License provisions of Municipal Code Title 5.
2. **Operational standards.** These standards are in addition to any other standards provided for specific uses in this Zoning Code. In order to ensure that conditional uses in residential zoning districts are operating in a manner that is consistent with federal, State, and local law and established industry standards and to ensure that operators do not have a pattern or practice of operating similar uses in violation of federal, State, or local law, all of the standards listed below shall apply:
 - a. If the facility is not licensed by the State, managers, operators, owners, clients, visitors, and residents shall not provide any services onsite that would require licensure of the facility in compliance with State law.

- b. For uses that allow overnight stays, there shall be no more than two residents, guests, or clients in each bedroom plus one additional resident, guest, or client. The review authority, at his/her discretion, may approve additional occupancy upon request by the applicant and based upon evidence that additional occupancy is warranted and appropriate. In determining whether to allow a different occupancy limit, the review authority shall consider the characteristics of the structure, whether there will be an impact on traffic and parking, and whether the public comfort, health, peace, safety, or welfare of persons residing in the facility or adjacent to the facility will be impacted.
 - c. The names of all persons and entities with an ownership or leasehold interest in the use, or who will participate in operation of the use, shall be disclosed in writing to the City, and these persons and entities shall not have a demonstrated pattern or practice of operating similar facilities in or out of the City of Newport Beach in violation of federal, State, or local law.
 - d. The operator of the proposed use shall provide a list of the names and addresses of all similar uses located in the State of California owned or operated by the operator within the past five years and shall certify under penalty of perjury that none of these uses have been found by State or local authorities to be operating in violation of federal, State, or local law. The Director shall verify this information.
3. **Smoking.** Clients, guests, visitors, staff, or any other users of the use shall not smoke in an area from which the second hand smoke may be detected on any parcel other than the parcel upon which the use is located.

→ **H. Findings and decision.** In addition to the findings required by Subsection 20.52.020 F (Findings and decision), prior to approving or conditionally approving an application for a Conditional Use Permit in a residential zone or in an area where residential uses are provided for in Planned Community Districts or specific plan districts the review authority shall find:

- 1. The use conforms to all applicable provisions of Subsection G. (Development and operational standards), above;
- 2. The project complies with the requirements for off-street parking as provided in Chapter 20.40 (Off-Street Parking) and traffic and transportation impacts have been mitigated to a level of insignificance;
- 3. The property and existing structures are physically suited to accommodate the use;
- 4. The use will be compatible with the character of the surrounding neighborhood, and the addition or continued maintenance of the use will not contribute to changing the residential character of the neighborhood (e.g., creating an overconcentration of residential care or bed and breakfast uses in the vicinity of the proposed use). In making this finding or sustaining the finding, the Hearing Officer and/or Council shall consider, as appropriate, all of the following factors:

- a. The proximity of the use location to parks, schools, other conditionally permitted uses of the same or similar type, outlets for alcoholic beverages, and any other uses that could be affected by or affect the operation of the subject use;
- b. The existence of substandard physical characteristics of the area in which the use is located (e.g., limited available parking, lot widths, narrow streets, setbacks, short blocks), and other substandard characteristics that are pervasive in certain areas of the City of Newport Beach, including portions of Balboa Island, Balboa Peninsula, Corona Del Mar, Lido Isle, Newport Heights, and West Newport, which portions were depicted on a map referred to as the Nonstandard Subdivision Area presented to the Commission on September 20, 2007 and on file with the Director; and
- c. In the case of residential care uses, whether, in light of the factors applied in Subparagraphs H. 4. a. and H. 4. b., above, it would be appropriate to apply the American Planning Association standard of allowing only one or two residential care uses in each block.
 - (1) Median block lengths in different areas of Newport Beach widely range from 300 feet in the Nonstandard Subdivision Areas to as much as 1,422 feet in standard subdivision areas.
 - (2) The average calculable block length in much of the standard subdivision areas is 711 feet and the calculable median block length is 617 feet.
 - (3) The review authority shall apply the American Planning Association standard in all areas of Newport Beach in a manner that eliminates the differences in block lengths.
 - (4) In making this determination, the review authority shall be guided by average or median block lengths in standard subdivisions of the City.
 - (5) The review authority shall retain the discretion to apply any degree of separation of uses that the Hearing Officer deems appropriate in any given case.
 - (6) A copy of the American Planning Association standard is on file with the Director.
- 5. The operation of buses, vans, and other vehicles used to transport residents, clients, visitors, guests, and/or staff to and from off-site activities or parking areas does not generate vehicular traffic substantially greater than that normally generated by residential activities in the surrounding area;
- 6. Arrangements for delivery of goods are made within the hours that are compatible with and will not adversely affect the peace and quiet of neighboring properties; and

7. Arrangements for commercial trash collection in excess of usual residential collection are made within hours that are compatible with and will not adversely affect the peace and quiet of neighboring properties.

~~I. **Post decision procedures.** The procedures and requirements in Chapter 20.54 (Permit Implementation, Time Limits, and Extensions), and those related to appeals and revocation in Part 6 (Zoning Code Administration) shall apply following the decision on a Conditional Use Permit application.~~

20.52.040 – Limited Term Permits

- ~~A. **Purpose.** The purpose of this Section is to consider applicant requests for uses of limited duration (e.g., interim, non-permanent, and/or seasonal in nature) that would be compatible with adjacent and surrounding uses when conducted in compliance with this Section.~~
- ~~B. **Applicability.**~~
- ~~1. **Limited duration uses.** A Limited Term Permit allows limited duration uses that might not meet the development or use standards of the applicable zoning district, but may otherwise be acceptable because of their temporary or limited nature.~~
 - ~~2. **Limited Term Permit required.** Limited duration uses shall not be conducted, established, or operated in any manner without the approval and maintenance of a valid Limited Term Permit in compliance with this Section.~~
- ~~C. **Exempt limited duration uses.** The following limited duration uses are exempt from the requirement for a Limited Term Permit. Uses that do not fall within the categories defined below shall comply with Subsection D. (Allowed limited duration uses), below.~~
- ~~1. **Construction yards - on-site.**~~
 - ~~a. On-site contractors' construction yard(s), including temporary storage and office trailers, in conjunction with an approved construction project on the same lot.~~
 - ~~b. One adult caretaker may be present during non-construction hours for security purposes.~~
 - ~~c. The construction yard shall be removed immediately upon completion of the construction project, or the expiration of the Building Permit.~~
 - ~~2. **Emergency facilities.** Emergency public health and safety needs/land use activities, as determined by the Council or authorized by Municipal Code Title 5.~~
 - ~~3. **Personal property (e.g., garage and/or yard) sales on private property.** Personal property sales conducted on private property when conducted in compliance with Section 20.48.150 (Personal Property Sales in Residential Districts).~~

Hearing Officer Attachment K

Copies of All Communications Received
Regarding StepHouse

Brown, Janet

From: Hla Tin [hlatin@att.net]
Sent: Friday, July 29, 2011 10:08 AM
To: Brown, Janet
Subject: RE: Stephouse Recovery Home in Anniversary Tract

Dear Ms. Janet Brown,

Thank you for looking into this matter; and for currently determining that indeed, this facility is in violation of the zoning restrictions and Code and that you had already notified to the care facility business operator(s). We presume that being a business operator and a renter in a residential R1 zone does not qualify as a residential owner, whose family member is one of the sober living care resident, but is operating strictly as a business entity.

As you can look up our address from my name we thought we would not expose ourselves to others in the neighborhood, even though people on our street and the Police Department already knew of the infractions of someone who is from a similar kind of facility from Costa Mesa and now have the conviction verdict from the court. We live on Golden Circle if you are not familiar with the City Streets, and we are two blocks away. The police officers will inform you of the person caught red handed while he was committing a car theft/vandalism. Case# 11HM09970 Harbor Court (Newport Beach) Disposition 6/14/2011; Violation on 6/11/2011. We would agree with the Federal Law if it was for a family member who needs the care as you stated, but disagree that the Federal should be invoked in the case of the business concern on Paper Lane.

As for the question of how far away we live from the Paper Lane facility, we are in the 300 feet radius from the facility, and so would qualify to get any information you disseminate from the City. We would like to remind you that it is then neighborhood that is impacted not just the immediate neighbors!

As we pointed out above, and have already categorized our experience in our previous email to you, our neighborhood had changed some what after this new facility became a semi permanent facility in our neighborhood. (Please refer to my original email below.)

In any case we commend on your thorough investigation of this matter with due care, and keeping the anonymity of the participating innocent victims, and the City's legal residents from harassment.

Sincerely,
Neighborhood Watch,
Watching Neighborhood.

From: Brown, Janet [mailto:JBrown@newportbeachca.gov]
Sent: Thursday, July 21, 2011 2:25 PM
To: Hla Tin
Cc: Cosylion, Matt; Palmer, Cassi
Subject: RE: Stephouse Recovery Home in Anniversary Tract

Thank you for your email, and taking the time to express your concerns. Your email will be included in the administrative record and provided to the Hearing Officer for his consideration prior to the public hearing on this matter.

The use of this property as a sober living residential care facility for persons in recovery from addiction to drugs and/or alcohol was recently brought to the City's attention. Upon determining that

the property was indeed operating as a residential care facility in violation of the Zoning Code, the City immediately notified the operator and property owner of the violation.

While the Zoning Code does not permit this use in this location, federal law requires that under certain circumstances, a city must grant disabled individuals an exception from its usual laws. Therefore, the Zoning Code includes provisions which allow any person with a disability, their representative, or a provider of housing for individuals with a disability, to apply for a reasonable accommodation from the City's zoning and land use regulations.

The operators of the facility on Paper Lane have submitted an application for reasonable accommodation. Reasonable accommodation applications are subject to a public hearing before a Hearing Officer appointed by City Council. Staff is now reviewing the application, and a public hearing will be scheduled once the application is deemed complete. A public notice will be mailed to residents who live within 300 feet of the subject property a minimum of 10 days prior to the hearing.

While you have not indicated in your email where you live in relation to the StepHouse Recovery home, we are interested to hear from the neighbors who are most directly impacted by this use. Specifically, we are interested in knowing what types of activities or impacts to the neighborhood may have occurred since this facility established - such as loitering in the neighborhood, trespassing, secondhand smoke, excessive vehicles and problems related to parking, trash and debris. It is important to document when these activities occur, and how these activities have directly impacted you.

The Code Enforcement Officer assigned to your neighborhood is Ms. Cassie Palmer. Please feel free to contact her or me if you have any questions, or comments, or if you wish to report an activity or problem. I also encourage you to contact the Police Department if you observe any activities that are suspicious or out of place for the neighborhood. Ms. Palmer's contact information is: cpalmer@newportbeachca.gov or (949) 644-3220.

Sincerely,

Janet Johnson Brown
Associate Planner
City of Newport Beach
3300 Newport Blvd., Newport Beach, CA 92663
T (949) 644-3236 / F (949) 644-3229
jbrown@newportbeachca.gov

From: Hla Tin [<mailto:hlatin@att.net>]
Sent: Thursday, June 30, 2011 5:55 PM
To: Brown, Janet; Cosyllon, Matt
Subject: Stephouse Recovery Home in Anniversary Tract

Dear Ms. Brown and Mr.. Cosyllon,

We understand you are interested in hearing from the local residents near the Stephouse Recovery home in the Anniversary Tract.

I am one of the few who had owned a property for more than 35 years and lived here, and raised a child in a safe neighborhood, because we have a neighborhood watch program, and most of us know each other. All of us pride ourselves by keeping the neighborhood safe for our children.

The City plan called for being a single family residential and is one of the reasons why we bought here and settle down here so he could live in a safe and untainted neighborhood. Even though our child has graduated and left the area for the time being he intends to raise his children over here and we have made a lot of investment on the property.

Right from the beginning we noticed that the addiction recovery home is operating in a rented house for the past several months with no city approval or license to operate as though sneaking in until some one finds out and then try to grandfather the zoning restriction and make it legal for their stay. Do we forget what happened or still happening in the Santa Ana Heights Bay View Community, where similar situation has brought the residents in the area in protests? I am sure the City has spent many man hours and \$\$ fighting this case.

We have heard that these same "Stephouse Homes" are starting to proliferate in Santa Ana and then spreading over to the Coastal Community such as Costa Mesa. Incidentally one of the tenants of the Costa Mesa promotional house was caught trying to break in to steal a car in the late hour of the night after crossing three streets to break the window of a car. Local police resource was needed to patrol and cite this violation. This type of criminal behavior should not be tolerated in a family neighborhood.

We have been also told by other residential neighborhoods of Santa Ana that once they get hold of a place they expand in the area and degenerate the neighborhood with more resources having to spend from the cities to pay for the high volume trash pick up and sanitation services from one single family home. We notice the same in the Anniversary tract for trash now. What we may realize in a drop in the bucket revenue increase for this "business" does not compensate for the high expense for the City, that we the victims and tax payers, have to pay for.

The new owners bought their homes for a chance to live in this neighborhood; and with the economy and housing down turn they have paid dearly for their homes which are now depreciating in value, and encroaching with unlicensed "business operators" in the zone for residential neighborhood. We beseech the City Authorities to exercise control over the situation for the residents sake.

As we are all aware the care and facility needed is not a rental house, but a treatment center which will adequately provide the needs of the challenging medical and professional care needed for these wayward tenants of the Stephouse Recovery home. They need the traditional hospital or properly equipped medical facility not a rental unit where many patients are bunched together to have maximum profit for the operators and not adequate benefit for the patients.

We hope that the City authorities will not allow any such unlicensed or for that matter (licensed by the city) use of property with a facade of the Step house Recovery home in our great City of Newport Beach.

Sincerely,
Neighborhood Watch
Watching Neighborhood

Brown, Janet

From: Ryan Griffin [pacfighter@gmail.com]
Sent: Wednesday, July 13, 2011 12:00 PM
To: Brown, Janet
Subject: Step House Recovery...

Dear Janet Brown,

My name is Ryan Griffin and I am a home owner on Paper Ln. in Newport Beach. I live adjacent to and share a fence with the Step House Recovery facility. Since the day the two men who moved in something didn't feel right. I took some time to introduce myself as a neighbor and was greeted by a man who claimed to be a school counselor. As time progressed it became more and more obvious that something wasn't right. At any given time there are 5-15 young men and women constantly coming and going from the home. I have lived here for 2 1/2 years and things are not like they used to be. This was a very quiet street where kids could actively play as they should. I would frequently leave my car and home unlocked for the entire day without a care in the world.

The things that have truly gotten under my skin are that some of the people attending the step house have come to my door asking "Is this the rehab?" It is beyond clear when approached that these are people with serious drug problems. Cars are constantly racing up and down the street. Almost always now there is no parking of any kind in front of my own home. I can smell cigarettes at all times - day or night. There is noise from the many occupants of the home that is a constant disturbance. There are always young people loitering in the front yard of the home as if they simply have nothing to do but smoke cigarettes and stare.

I am not against rehabilitation programs in any way. It is to my understanding that The Step House Recovery is operating illegally without the appropriate licensing. I don't understand how this is possible. As a homeowner I am nothing short of outraged that this has been going on for so long. I feel that my home and my safety has been threatened due to the unruly nature of the Step House occupants; Step House Recovery should not receive approval to continue operating in any way. I have hopes to raise a family in my home on this street and I would like to do so in a safe and comfortable environment. There are many appropriate locations to operate a rehabilitation program. Paper Lane is not one of them.

Thank you for allowing the people of this neighborhood to voice their opinions on this matter. If you have further questions feel free to contact me directly.

Sincerely,

Ryan Griffin

(310) 922-4946

Brown, Janet

From: Jennifer Bosco [JBosco@toastmasters.org]
Sent: Tuesday, July 12, 2011 4:11 PM
To: Brown, Janet
Subject: Step House Recovery

Dear Janet Brown,

Thank you for allowing us to write in and state our concerns with Step House Recovery, the recovery home in our neighborhood, that operates without proper licensing. The issue of rehabilitation programs in residential areas is a controversial one. On the one hand recovery in safe neighborhoods can increase the likelihood that these addicts will not relapse. On the other hand rehabilitation homes in safe neighborhoods increases the chance of disturbances that negatively impact the neighborhood and residents. I have spent years volunteering with at-risk youth and am a big supporter of recovery centers so long as they operate within reasonable means and in a proper location. Due to the following reasons, the Step House Recovery home has negatively impacted not only my neighborhood but also my safety.

When I first moved into my home the character of the neighborhood was substantially different than what it is today. Now, there are a number of 18-28 year olds that hang around my sidewalk and driveway with little to no supervision. I have come home to addicts at my front door. Mistakenly they thought my home was the Step House Recovery home. As a young professional female I am not comfortable with addicts in and out of my neighborhood nor am I comfortable with them visiting my home.

Another reason for my concern is parking or lack thereof. Typically vehicles from this home have to park in front of my residence. These vehicles are typically rundown and cause more traffic in and around the neighborhood. Before the Step House Recovery home began its illegal operation, Paper Lane was a quiet and peaceful cul-de-sac but now, unfortunately, the inhabitants of the recovery center and their guests routinely speed up and down the street to turn around and leave our once peaceful neighborhood at all hours of the day and night. Our street is very family oriented, with many children and animals routinely playing in their front yards or on the public sidewalk – certainly a recipe for disaster.

Further, given the intensity of additional vehicle trips generated by the illegal operation of the Step House Recovery home, I would suspect that the on-site meetings do not involve only the residents of the home. I do not appreciate the aforementioned negative impacts associated with regular mass assemblies of people in my neighborhood and directly next door to my home.

Finally and most importantly, the Step House Recovery home is currently operating and providing treatment on-site however the home is not properly licensed. I am a firm believer if you are providing care for at-risk and recovering addicts you should only provide treatment in those facilities that hold ADP license. To provide sufficient care to those in need it is important to get all licensing upfront and have appropriate staff. The fact that this particular home has been operating without sufficient permissions is unbelievable.

For all of the reasons mentioned above the Step House Recovery home has negatively impacted not only my neighborhood but also my safety and I do not feel they should have permission to apply for licensing. Again, I am a big supporter for rehabilitation programs, however they need to be opened and staffed appropriately to provide the best treatment.

Please let me know if you have any questions and thank you again for allowing the community to provide input on this issue.

My best,

Jen

Jennifer Bosco

Assistant Brand Manager, Communications

Toastmasters International

(949) 858-8255, ext. 262 Fax: (949) 459-2466

Toastmasters: Achieving Greatness Together

www.toastmasters.org

Brown, Janet

From: Michael Casciola [mcasciola@cox.net]
Sent: Tuesday, July 12, 2011 3:15 PM
To: Cosylion, Matt; Brown, Janet; Hill, Rush
Subject: Fw: Paper Lane

For your information, a copy of what I sent to Cassi. Thank you .

From: Michael Casciola
Sent: Tuesday, July 12, 2011 3:10 PM
To: cpalmer@newportbeachca.gov
Subject: Paper Lane

Hi Cassi , It was good to meet you at the library the night the City presented the situation on Paper Lane. I live at 2499 Anniversary Lane. While the front of my home faces Anniversary it is on the corner of Paper & my side & back yards face the Paper Lane house . There is parking all along Paper adjacent to my side & back yards. Among other things, I spoke at the meeting and voiced my concerns about parking along this strip on Paper which is usually very quite & peaceful. The other night a white or silver sedan car was parked along the street in this area on Paper Lane that I am concerned about. . The windows were open and the 4 occupants were smoking. It was occupied with 4 men who were somewhat noisy. They were smoking and of course the smoke drifted across the fence and into my family room as we had the doors open. The distance is approximately 20 feet from where they were parked to my open door.

Again not to be hasty about these things , I waited for some time listening to the loud noises and smelling the smoke from their cigarettes. After a while I decided to go out & look. as I walked around the corner from Anniversary to Paper 1 man came out of the car and walked across the street to the subject home. I assume he is a resident. The 3 remaining in the car, I don't know if they are also residents or just visitors, loudly cheered him home . As I got closer the car drove away before I could get a plate number.

With the current state of politics I am assuming that this is going to get approved. I would like to see some strong language in the agreement that restricts parking along the area of Paper Lane I am referring to. After all there are more than ample spaces on this property to accommodate the numbers of cars expected. They have 2 garages and a very long driveway and at least 2 more spaces along the curb at the house. This can accommodate all their needs for parking. There is no need for any one to park along side Paper Lane adjacent to my house.

I wanted to bring this to your attention so that you are aware of what is starting to happen here.

Thank you

Regards,

Michael A. Casciola
2499 Anniversary Lane

Brown, Janet

From: Hla Tin [hlatin@att.net]
Sent: Thursday, June 30, 2011 5:55 PM
To: Brown, Janet; Cosylion, Matt
Subject: Stephouse Recovery Home in Anniversary Tract

Dear Ms. Brown and Mr.. Cosylion,

We understand you are interested in hearing from the local residents near the Stephouse Recovery home in the Anniversary Tract.

I am one of the few who had owned a property for more than 35 years and lived here, and raised a child in a safe neighborhood, because we have a neighborhood watch program, and most of us know each other. All of us pride ourselves by keeping the neighborhood safe for our children.

The City plan called for being a single family residential and is one of the reasons why we bought here and settle down here so he could live in a safe and untainted neighborhood. Even though our child has graduated and left the area for the time being he intends to raise his children over here and we have made a lot of investment on the property.

Right from the beginning we noticed that the addiction recovery home is operating in a rented house for the past several months with no city approval or license to operate as though sneaking in until some one finds out and then try to grandfather the zoning restriction and make it legal for their stay. Do we forget what happened or still happening in the Santa Ana Heights Bay View Community, where similar situation has brought the residents in the area in protests? I am sure the City has spent many man hours and \$\$ fighting this case.

We have heard that these same "Stephouse Homes" are starting to proliferate in Santa Ana and then spreading over to the Coastal Community such as Costa Mesa. Incidentally one of the tenants of the Costa Mesa promotional house was caught trying to break in to steal a car in the late hour of the night after crossing three streets to break the window of a car. Local police resource was needed to patrol and cite this violation. This type of criminal behavior should not be tolerated in a family neighborhood.

We have been also told by other residential neighborhoods of Santa Ana that once they get hold of a place they expand in the area and degenerate the neighborhood with more resources having to spend from the cities to pay for the high volume trash pick up and sanitation services from one single family home. We notice the same in the Anniversary tract for trash now. What we may realize in a drop in the bucket revenue increase for this "business" does not compensate for the high expense for the City, that we the victims and tax payers, have to pay for.

The new owners bought their homes for a chance to live in this neighborhood; and with the economy and housing down turn they have paid dearly for their homes which are now depreciating in value, and encroaching with unlicensed "business operators" in the zone for residential neighborhood. We beseech the City Authorities to exercise control over the situation for the residents sake.

As we are all aware the care and facility needed is not a rental house, but a treatment center which will adequately provide the needs of the challenging medical and professional care needed for these wayward tenants of the Stephouse Recovery home. They need the traditional hospital or properly equipped medical facility not a rental unit where many patients are bunched together to have maximum profit for the operators and not adequate benefit for the patients.

We hope that the City authorities will not allow any such unlicensed or for that matter (licensed by the city) use of property with a facade of the Step house Recovery home in our great City of Newport Beach.

Sincerely,
Neighborhood Watch
Watching Neighborhood

Palmer, Cassi

From: Barbra Bean [barbrabean@hotmail.com]
Sent: Wednesday, June 29, 2011 1:49 PM
To: Cosylion, Matt
Cc: Palmer, Cassi
Subject: RE: Contact Info

Matt,

In answer to your questions:

1. The driveway that is partially blocked is our property
2. The vehicle parked over the sidewalk is at 2927 Paper Ln
3. The first pictures were taken in late March/early April and I believe the second set was on June 12th

I will email Cassi Palmer in the future.

Thanks,
Barbra Abell

Subject: RE: Contact Info
Date: Wed, 29 Jun 2011 12:22:16 -0700
From: MCosylion@newportbeachca.gov
To: barbrabean@hotmail.com
CC: CPalmer@newportbeachca.gov

Good Afternoon Mrs. Abell,

After reviewing the attached pictures, I have some questions for you:

1. The pictures showing the truck partially blocking the driveway- Is that the driveway for your property?
2. The pictures showing the car parked over the sidewalk- Is that vehicle parked at 2927 Paper Ln?
3. When were theses pictures taken?

To assist us in future investigations, it would be helpful if you could take a picture of the license plate of any vehicle in question. Additionally, you should also try to take a perspective picture, a picture that shows the entire area including the area in question.

Lastly, the code enforcement officer for your area is Cassi Palmer. Please forward any future complaints to Cassi Palmer but copy me on any emails or correspondence.

Thanks

Matt
644-3217

From: Barbra Bean [<mailto:barbrabean@hotmail.com>]
Sent: Sunday, June 26, 2011 8:53 PM
To: Cosylion, Matt
Subject: RE: Contact Info

Matt,

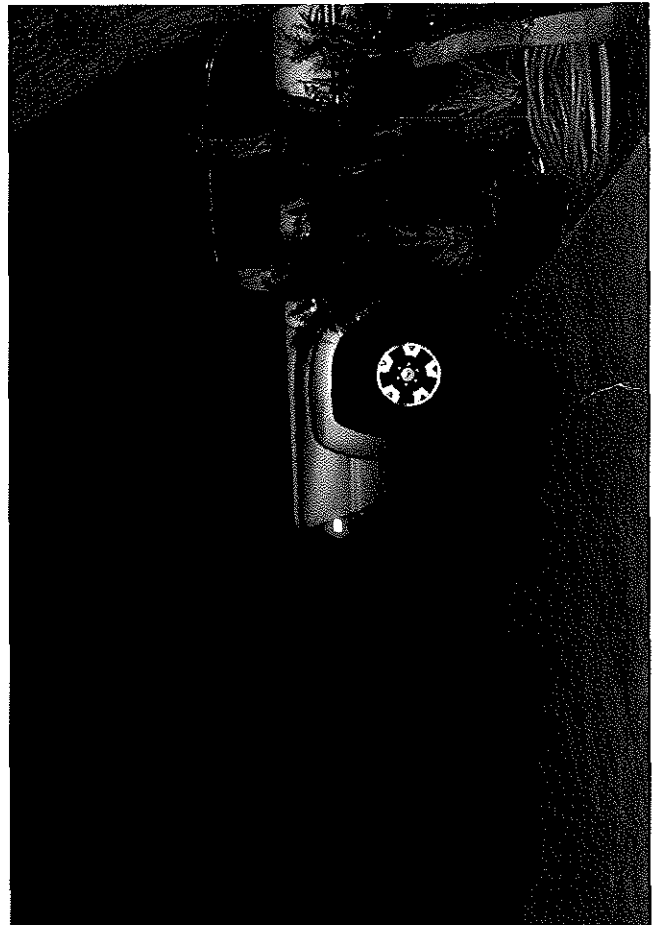
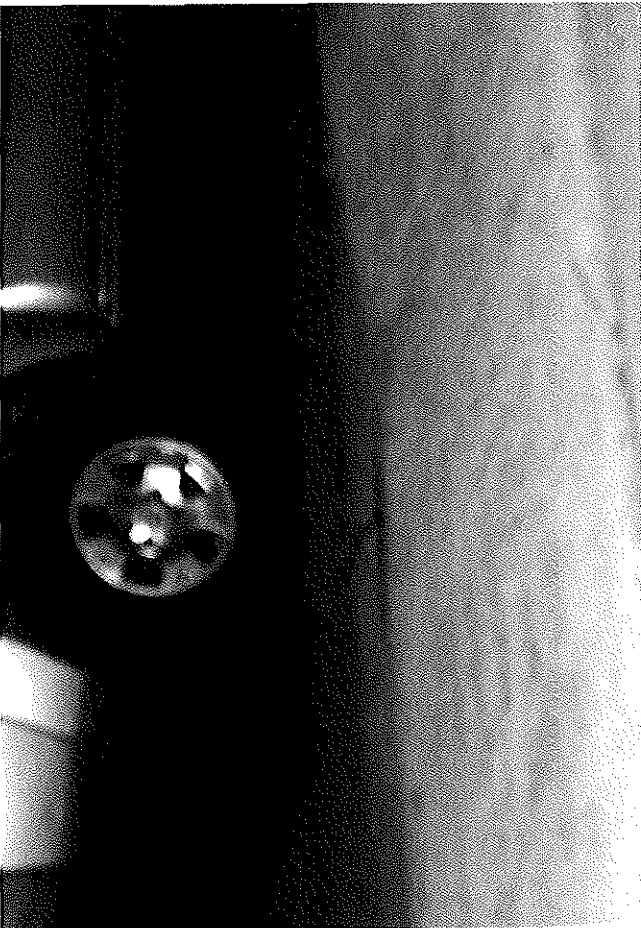
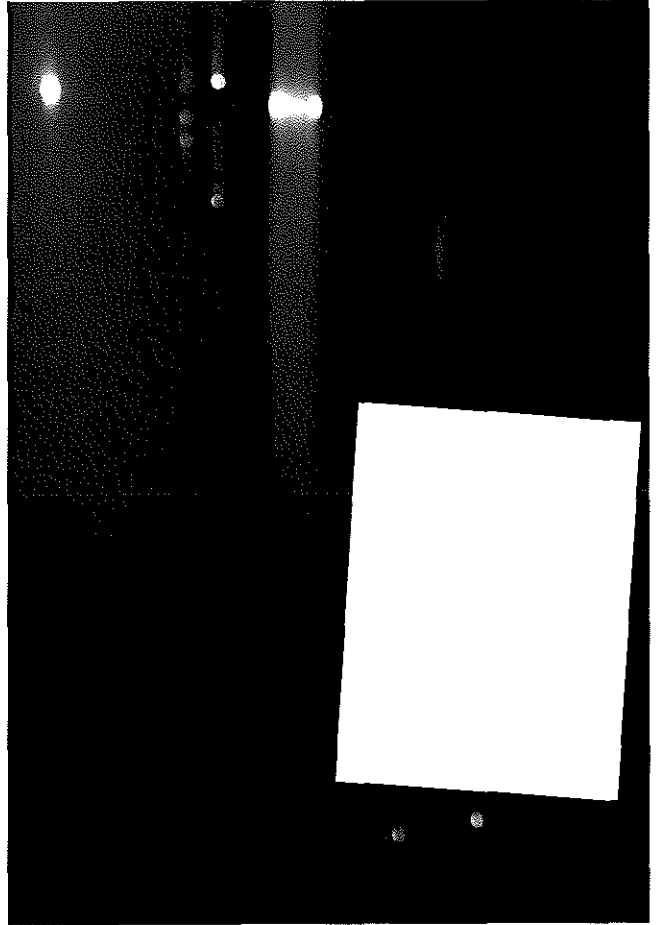
Attached are some pictures documenting parking infringements concerning the Stephouse recovery on Paper Lane. We would also like to note our complaints about secondhand smoke in our yard.

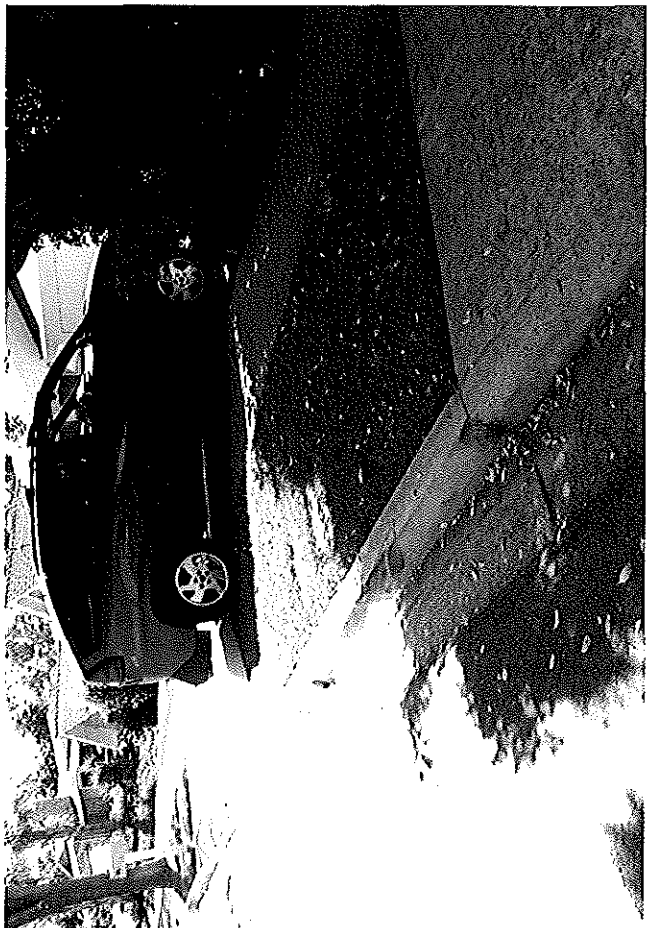
Thanks the time you have taken addressing our concerns.
Barbra Abell

Subject: Contact Info
Date: Wed, 1 Jun 2011 13:19:11 -0700
From: MCosylion@newportbeachca.gov
To: BARBRABEAN@HOTMAIL.COM

Janet Brown
jbrown@newportbeachca.gov
949-644-3236

Matt Cosylion
Code Enforcement Supervisor
Community Development Department
3300 Newport Blvd.
Newport Beach, Ca 92663
ph.(949) 644-3217 fax.(949) 718-1840





Brown, Janet

From: Shanel Wilson [shanelailleen@gmail.com]
Sent: Thursday, June 16, 2011 9:50 PM
To: Brown, Janet; mcosylion@newportbeach.gov
Subject: Stephouse Recovery- 2927 Paper Lane

Ms. Janet Brown and Mr. Matthew Cosylin,

It has been brought to my attention that an unlicensed recovery home has been operating across the street from my residence I share with my husband. I am disturbed by this news. I was wondering why there was men lingering outside of the house and more cars than usual on the street. My husband and I appreciate that these individuals are seeking treatment at the Stephouse offers, however, we don't feel comfortable having them in our neighborhood. The cars are always parked on our side of the street and near our house. I was watched by a man standing in the driveway while I pulled into my house. We have a family-oriented neighborhood and want to keep it a family-oriented neighborhood. It is also disturbing that they are operating without a license. This shows me that they were trying to go undetected and that does not breed a spirit of trust or neighborly demeanor. This makes me feel violated that they would just begin operation without consideration of their legal duty until they were found out.

Thank you for listening to my thoughts and concerns regarding the matter.

--

Shanel Wilson

Learner/Empathy/Developer/Input/Individualization

Brown, Janet

From: Nicolina Valente [nicolina2@roadrunner.com]
Sent: Monday, June 13, 2011 10:58 AM
To: Cosyllion, Matt
Cc: Brown, Janet
Subject: Addiction recovery home at 2927 Paper Lane, Newport Beach

Re: "Stephouse Recovery" at 2927 Paper Lane, Newport Beach

Dear Mr. Cosyllion,

We are completely against this addiction recovery home in our neighborhood and have noticed an increased amount of traffic and loitering in recent months.

Also, there are a significant number of young children in our neighborhood and a treatment center of this sort does pose threat to our children's safety.

Thank you for your help,

Sincerely,

Sebastian and Nicolina Valente

Brown, Janet

From: Michael Casciola [mcasciola@cox.net]
Sent: Sunday, June 12, 2011 1:18 PM
To: Brown, Janet; Cosylion, Matt
Subject: Stephouse Recovery
Attachments: CCF06122011_00000.pdf

Janet Brown & Matthew Cosylion,

This issue has just been brought to my attention by a concerned neighbor only today. I wanted to get my initial comments to you ASAP. please see attached. Thank you.

Michael Casciola

Michael A. Casciola
2400 Anniversary lane
Newport Beach, California 92660
949-683-9198

Ms Janet Brown, Associate Planner

Mr Matthew Cosylion, Code Enforcement Supervisor

Dear Janet and Matthew,

When I arrived home last night I found a pamphlet at my front door concerning the Recovery House operating on Paper lane across from my home. This was a shock to me that such an operation can exist without proper notice to and consent of the surrounding neighbours'. And I understand that this operation is without City approval as well.

Before you get the idea that this is just another NIMBY complaint from a bigot let me take the time to explain something too you. I am a practicing attorney and my practice canters around representing clients who develop affordable housing. So I am aware of the NIMBY attitude as I make presentations before various City Councils and the opposition that these developments arouse in the neighbours'. So I don't take this issue lightly.

Affordable housing is an economic issue of good people who need financial aide and yet it brings out hostility based on racism. This is a more serious community concern a it involves persons who clearly have severe addiction issues & some of whom have a history of using violence to satisfy their needs.

These persons clearly need help. But the issue is where the best venue to provide that assistance is. I believe projects like this belong in neighbourhoods better equipped to house them and provide for their medical & other corollary services. These should be in more populated areas where there is more activity both by foot and vehicular traffic and police awareness than in a small community such as this which rarely gets police patrols. It is a very vulnerable area to covert and sneaky activities by person's intent on doing harm. The police patrols are nearly non-existent in this neighbourhood.

These are persons who are not well and need much attention by medical and other professionals which are provided for in other government and private facilities staffed to handle the various personalities and behavioural issues accompanied by these illnesses.

What of the case of one who does not take well to the treatment. What is he or she capable of doing in a quite area such as this? We have only a small 5' foot high fence to guard us from dangerous activities from one looking for money to buy drug , etc. Easy targets without police observation.


The City has any equal obligation to protect us as well instead of always taking the side of the indigent person.

And what will this do to the property values of the community once this gets out and others will surely follow if the city makes it so easy to operate one of these facilities. What you have here is a desperate and selfish home owner looking to find a way to salvage his rental property without regard for his neighbours. And the operator is merely interested in profits without regard to services. I am certain that there will not be any security as would be provided for in other facilities such as a hospital or other well planned organized entity to protect both treatment and security to the patients as well as the surrounding community.

I have enclosed an article I just read in today's newspaper entitled Lido's rehab home which describes the experience of another city dweller. What's next on the behavioural patterns? Where will city staff be when one of them needs to find an easy house to break into when the counselling fails and they need some cash. How will this be staffed and what does the city codes provide for in this area? How many persons per bedroom will they house? What of the City & health codes? Surely they will apply for a variance which should not be granted. I am certain that this business is in it for the profit and not the caring that a better staffed facility can provide for these recovering individuals. Check out their website. By their own admission they claim to specialize in cases of patients who have failed in other facilities. Is this really an operation you can justify for this neighbourhood? I think not.

Your obligation is to protect all of your citizens and not to find a way to protect a few at the dismay of the many. This is an initial response that I wished to get before you as soon as possible before you take any action. As the neighbours speak and organize I am certain you will hear more from us.

Very truly yours,


Michael Casciola

Forum

Mailbag

Please don't reduce number of

In response to the online article, "Police Restructuring Plans to be Presented" (June 9): I am worried about cuts to the Police Department and public safety in our community. Our Police Department has worked closely with our neighborhood here on the Eastside to reduce speeding traffic and to reduce criminal activity in our more densely populated areas.

How will these cuts impact us and the city at large? And will they turn back all of the efforts our neighborhood has made with the city to reduce crime and speeders on our streets? Will we suffer a reduction in patrol and traffic enforcement?

Just a few years ago, the

then-City Council and police chief prioritized community policing, and weren't just applying reactionary law enforcement. Have the council priorities changed? There are so many unanswered questions.

Please don't make rash decisions about cuts to our Costa Mesa Police Department that will reduce police services and community-oriented policing.

Katie Arthur
Costa Mesa

Lido's rehab home smokers

Some months ago, I shared with the City Council my experience of going

to Zpizza in Lido Village for lunch and being smoked out by a group of swearing rehab clients who took control of the area outside of the restaurant where I was eating. They littered the area with their cigarette butts and coffee cups before leaving.

Sadly, my current experience of spending time in my neighborhood and endeavoring to support our local merchants is the same. Morningside Recovery is a rehab operator that is continually out of compliance with the regulations that govern rehab businesses in our city.

Why is our city continuing to allow this scofflaw to operate illegally and make a

mockery of our local government and our community?

Linda Klein
Newport Beach

Brown, Janet

From: LAURA REYNOLDS [elorreyn@yahoo.com]
Sent: Sunday, June 12, 2011 1:22 PM
To: Brown, Janet; Cosyllion, Matt
Cc: mike a casciola
Subject: Unlicensed Recovery Home On Paper Ln.

I am contacting you as a concerned homeowner living on Anniversary Lane in Newport beach. I am very shocked to learn, and very much opposed to the unlicensed "Recovery House" on Paper Lane.

I live and work in Newport Beach. I am very aware of the growing concern and on going controversy with the number of rehab facilities in the city.

I pass two such facilities 5 days a week. Usually bathrobe clad residents are congregated on balconies and in driveways smoking and socializing as early as 7:30 AM. The parking on this street is horrible, to the point of obstructing the view of traffic. Bicycles are stacked on driveway and sidewalk, and luggage is left at the curb. I have to wonder if the luggage belongs to the successful or the unsuccessful.

As a medical professional, I am in contact with many participants of, Morningside and Sober Living By The Sea programs. I find that these patients are basically ill mannered, non compliant, undependable, untruthful and only looking out for themselves. Really not pleasant to work with. I certainly never thought that there was a chance, that as a group, they would become neighbors.

Our quiet, (I've never seen police patrol), family neighborhood has retirees and small children. It has been and should remain a safe haven without the obvious worries that come with transient "residents". Our safe environment would be greatly altered in a manner not consistent with a feeling of well being.

Seeing the website for "Stephouse recovery" did nothing to make me feel the least bit better about the situation. They boast of being"especially beneficial to younger clients and those who have previously been to more than one treatment program.... with mixed or negative results, and possess a relapse history". They also state how important it is that "the client not feel uncomfortable". This doesn't sound like Stephouse is concerned for the comfort of its neighbors.

The website testimonials, video and written, are about going to the gym, personal trainers and dancing. Other stories are about being treated in multiple other treatment centers, and stories of relapse. Not a good sign overall!

What really makes this program better or more effective..... OUR beautiful Newport Beach atmosphere???

Thank you for your attention to this situation, sincerely,

Laura L. Reynolds

Brown, Janet

From: Greg Badum [gjbadam@yahoo.com]
Sent: Saturday, June 11, 2011 8:47 PM
To: Brown, Janet; Cosylion, Matt; Kiff, Dave; Hill, Rush; mhenn527@hotmail.com; Dept - City Council; Badum, Steve
Cc: Greg Badum
Subject: Recovery Home on My Street (2927 Paper Lane, Newport Beach)

It has just come to my attention that the rented home on my street is being used as an addiction recovery home. This is unacceptable use of a single family home on our street and in the City of Newport Beach. We have a quiet out of the way family neighborhood. There are many small kids in our neighborhood and our street including my 8 year old boy. I do not want my son exposed to these elements in this business use of a residential area. I have noticed many shady characters at this home, hanging out and chain smoking at the curb and the corner. Please assure me that this type of home is not allowed on our quiet street!

I trust that this activity will NOT be approved to operate in Newport Beach. Please assure me that this unapproved facility will stop operation immediately.

Greg Badum
2900 Paper Lane
Newport Beach, CA 92660-3311
949-642-3302

Brown, Janet

From: Vanian Douglas and Sandra [beachbumz4@sbcglobal.net]
Sent: Saturday, June 11, 2011 3:13 PM
To: Brown, Janet; Cosylion, Matt
Subject: Re: 2927 Paper Lane, Newport Beach

Here is my point once again... Last night another break in!!!!!!!!!!!!!!!!!!!!!! I am furious!!!!!!!!

On 6/9/11 7:01 PM, "Vanian Douglas and Sandra" <beachbumz4@sbcglobal.net> wrote:

My husband and I are extremely concerned after being made aware that there is a "business" being run out of our residential neighborhood at 2927 Paper Lane, Newport Beach, CA 92660. To make matters worse it's not just any business it's a recovery house!! We live on Anniversary Lane.

We have had a car break in recently. There have been people smoking pot in front of our neighbors house. We have noticed more riff raff in our neighborhood and could not figure out why this had increased...well now it all makes sense.

I understand recovery houses are needed but they do not belong in residential neighborhoods filled with children. It infringes on my rights and the rights of my child...who can no longer ride his bike to his friends house because he has to pass the house with the people dealing with sex addiction, drug abuse, alcohol abuse, etc....

We all live in this neighborhood because it's a friendly family oriented residential area!!!! Furthermore, how is it that the residents of this neighborhood were not notified – putting ourselves and children at risk?!?!?!?

Douglas and Sandra Vanian

Brown, Janet

From: Ken @ Waterscape Solutions [ken@waterscapesolutions.com]
Sent: Friday, June 10, 2011 9:50 AM
To: Brown, Janet; Cosylion, Matt
Cc: Gretchen McPhie
Subject: Re: 2927 Paper Lane, Newport Beach

Representatives of Newport Beach,

Why is it that a prestigious community such as Newport Beach allows detrimental business activities (sober living houses) to occur within the neighborhoods, jeopardizing the well being of residents, especially safety of children and ultimately lower property values that people work very hard and contribute significant investments to obtain? The mere existence of these sober living houses within the City of Newport Beach should be reconsidered, regardless of personal benefits to facilities' occupants, which inherently have questionable success rates.

Furthermore its completely unacceptable that a business can operate a house full of occupants that pose a potential safety risk to the families, especially children, without formal approval from the City and surrounding neighbors. Prior to these facilities conducting business, neighbors should have the right vote and if approved, the right to know the number of occupants, their names, age and nature of each individual's addiction and be notified when occupants change so appropriate measures can be taken to safeguard the community.

I appreciate your time and most thorough attention to this matter. If you have any questions/comments please feel free to contact me.

Regards,
Ken McPhie

----- Original Message -----

From: Gretchen McPhie
To: jbrown@newportbeachca.gov ; mcosylion@newportbeachca.gov
Cc: Ken McPhie
Sent: Thursday, June 09, 2011 5:50 PM
Subject: 2927 Paper Lane, Newport Beach

It has recently been confirmed, though I have long suspected, that a "recovery" house has been operating illegally and "unlicensed" on my street. My address is 2911 Paper Lane, 2927 Paper Lane is 2 houses away from us. My husband and I have 3 young children who (along with us and many of our neighbors) have complained about the cars driving fast on our small, cul-de-sac street, cars drive slowly as if to "check out my children while outside playing", etc. I am absolutely against this house being operated as a recovery home, rehab home or whatever The Stephouse Recovery tries to call itself. This is a single family residential area made up of all small FAMILY owned (and 90% children occupied) cul-de-sacs. We have lived in this peaceful neighborhood for 7 years and cannot believe this type of place can be just 2 doors away from us!

I absolutely do not approve of this operating anywhere NEAR my family, my neighbors or other children in our neighborhood. The confirmation of this recovery home is very upsetting to all of us.

Thank you for your time.
Gretchen McPhie

Brown, Janet

From: Cheryl Hall [chrylhall@yahoo.com]
Sent: Friday, June 10, 2011 7:16 AM
To: Brown, Janet; Cosylion, Matt
Subject: 2927 Paper Lane

To Whom it May Concern: My name is Cheryl Hall and we live on Golden Circle. We are sickened and distraught of just finding out that the residents that live at 2927 Paper Lane are sex addicts, etc. PLEASE do not accept their petition to live in our neighborhood!!!!!! We are all rallying against them being here!!!! Cheryl Hall

Brown, Janet

From: Rick Dayton [rdayton@juno.com]
Sent: Friday, June 10, 2011 9:37 AM
To: Brown, Janet
Subject: Fw: "stephouse recovery" at 2927 Paper Lane

Hi Janet,
I'm re-sending this. I typed your e-mail address incorrectly.
Rick

----- Forwarded Message -----

From: "Rick Dayton" <rdayton@juno.com>
To: jbrown@newportbeackca.gov, mcosylion@newportbeachca.gov
Cc: DKiff@newportbeachca.gov, lesliejdaigle@aol.com
Subject: "stephouse recovery" at 2927 Paper Lane
Date: Fri, 10 Jun 2011 16:29:43 GMT

Dear Janet and Matthew,

If the information we have received is correct, Stephouse Recovery has been operating an addiction recovery home for several months in a rented home at 2927 Paper Lane without a license from the City of Newport Beach. It's our understanding that the City discovered this, and that the business owner of the facility has subsequently applied for City approval under "reasonable accommodation".

As you are aware, sober living facilities have been a headache for several Newport communities, including the Peninsula and the Pegasus tract. As homeowners in the Anniversary tract, we don't wish to see these same problems happen to our neighborhood. The fact that this facility was operating without a license does not give encouragement that it would abide by any operation regulations imposed as a part of licensing. With the number of rental homes in this neighborhood, it seems vulnerable to the proliferation of this type of facility.

If licensed, Stephouse Recovery will be a precedent for this to happen. We are very much opposed to the licensing of this business at this location.

Would you please send us a follow-up e-mail as to the status of this application.

Sincerely,
Rick and Shirley Dayton
2900 Silver Lane, Newport Beach, CA 92660
949.645.1717

Brown, Janet

From: Gretchen McPhie [gretchenmcphie@roadrunner.com]
Sent: Thursday, June 09, 2011 5:51 PM
To: Brown, Janet; Cosylion, Matt
Cc: Ken McPhie
Subject: 2927 Paper Lane, Newport Beach

It has recently been confirmed, though I have long suspected, that a "recovery" house has been operating illegally and "unlicensed" on my street. My address is 2911 Paper Lane, 2927 Paper Lane is 2 houses away from us. My husband and I have 3 young children who (along with us and many of our neighbors) have complained about the cars driving fast on our small, cul-de-sac street, cars drive slowly as if to "check out my children while outside playing", etc. I am absolutely against this house being operated as a recovery home, rehab home or whatever The Stephouse Recovery tries to call itself. This is a single family residential area made up of all small FAMILY owned (and 90% children occupied) cul-de-sacs. We have lived in this peaceful neighborhood for 7 years and cannot believe this type of place can be just 2 doors away from us!

I absolutely do not approve of this operating anywhere NEAR my family, my neighbors or other children in our neighborhood. The confirmation of this recovery home is very upsetting to all of us.

Thank you for your time.
Gretchen McPhie

Brown, Janet

From: Vanian Douglas and Sandra [beachbumz4@sbcglobal.net]
Sent: Thursday, June 09, 2011 7:01 PM
To: Brown, Janet; Cosylon, Matt
Subject: 2927 Paper Lane, Newport Beach

My husband and I are extremely concerned after being made aware that there is a "business" being run out of our residential neighborhood at 2927 Paper Lane, Newport Beach, CA 92660. To make matters worse it's not just any business it's a recovery house!! We live on Anniversary Lane.

We have had a car break in recently. There have been people smoking pot in front of our neighbors house. We have noticed more riff raff in our neighborhood and could not figure out why this had increased...well now it all makes sense.

I understand recovery houses are needed but they do not belong in residential neighborhoods filled with children. It infringes on my rights and the rights of my child...who can no longer ride his bike to his friends house because he has to pass the house with the people dealing with sex addiction, drug abuse, alcohol abuse, etc....

We all live in this neighborhood because it's a friendly family oriented residential area!!!! Furthermore, how is it that the residents of this neighborhood were not notified – putting ourselves and children at risk?!?!?

Douglas and Sandra Vanian

Hearing Officer

Attachment L

Sample Operational Conditions

(PROPOSED) CONDITIONS APPLICABLE DURING ABATEMENT PERIOD
REASONABLE ACCOMMODATION NO. 2011-001

StepHouse Recovery, Inc.
2927 Paper Lane, Newport Beach

1. **Abatement Period.** This use shall abate no later than ____ months following the adoption of a resolution denying reasonable accommodation.
2. **Occupancy Level.** The operator StepHouse Recovery, Inc. hereinafter referred to as "Operator," shall limit occupancy of the dwelling to six (6) client beds and one on-site resident manager, who shall be a qualified recovery specialist. No more than six (6) persons in recovery may reside in the dwelling.
3. **Staffing.** Operator shall have one qualified manager on-site at all times (24 hours a day, seven days a week) to appropriately and responsibly manage the facility.
4. **Governmental Referrals.** Operator shall not provide any services to any client or house any client who has been referred or caused to be referred to this facility by any governmental agency, including but not limited to probationers or parolees.
5. **Assembly Uses.** Assembly uses are prohibited, except those that are limited solely to client residents of the facility and facility staff.
6. **Medical Waste.** Any and all medical waste generated through the operation of the facility shall be disposed of in accordance with the City of Newport Beach's Municipal Code, all other laws and best industry standards and practices.
7. **Trash.** Operator shall abide by the City's regulations regarding trash disposal including providing the proper amount of trash cans for the property's use (so that cans do not overflow), placing the cans out no earlier than 7:00 pm the evening prior to collection, and placing the cans back in the side yard (or other contained area) no later than 6:00 pm the day of collection.
8. **Smoking & Cigarette Litter.** Per NBMC Section 20.52.030 (G.3), no clients, guests, or any other users of the subject property may smoke in an area from which the secondhand smoke may be detected on any parcel other than the parcel upon which the use is located. StepHouse Recovery, Inc. shall enforce house rules against litter, including allowing clients, staff, or residents from littering cigarette butts on the ground, sidewalk, gutter or street.
9. **Vehicles, Parking & Garages.** This facility may have a maximum of ____ vehicles associated with its use. The Operator shall keep the two (2) designated garage parking spaces at the facility open and available for parking

for staff, and resident clients at all times. One space shall be designated for use by the on-site resident manager. The other spaces shall be designated for use by client residents and/or visitors. At most one other client in the Facility may have a vehicle and park on the street in a legally-designated parking spot. Client move-in and move-out shall be accomplished in such a manner that traffic on area streets is not blocked, nor can area driveways or alleys be blocked.

10. **Transportation.** Transportation services provided by the facility operator shall abide by and respect all City rules regarding parking, stopping and waiting to load and unload resident clients, and driving on City streets. The transport van driver is prohibited from stopping or double-parking in a traffic lane, or blocking a sidewalk.
11. **Quiet Hours.** The on-site facility manager shall maintain "Quiet Hours" between 10:00 p.m. to 8:00 a.m., daily, where persons on the street or on adjacent properties cannot hear any noise (including music, TV's, voices) from the facility except in an emergency.
12. **Profanity and Lewd Behavior.** Operator shall not tolerate lewd behavior, lewd speech, or profanity at the subject property. Profanity at a level audible to neighboring residents may result in an administrative citation issued by the City upon the property owner and operator.
13. **Deliveries.** Any deliveries of business products and other packages and goods to the facility during weekdays shall be made between the hours of 9:00 am to 5:00 pm.
14. **Contact Information.** Operator shall provide area residents and the City with a 24/7 contact name, phone number and e-mail address to assist residents and the City with problems or concerns arising from the facility. E-mails or messages left for the Operator's designated contact shall be returned in prompt manner within the next 24-hour period.
15. **Building and Zoning.** Operator recognizes that the subject property has specific setbacks from the side yards, front yard, and/or back yard per the City's Building and Zoning Codes. Operator will keep these setbacks clear of obstruction, including building obstruction. The orderly storage of trashcans is acceptable in setbacks.
16. **Facility Nuisances.** The subject property shall not be unsafe, unsightly or poorly maintained. If Operator receives a nuisance violation from the City in regards to any of these issues, Operator shall correct the violation within seven days or contact the City directly to negotiate a mutually agreeable timeline.

17. **Beaches and Other Common Gathering Areas.** Operator's use of the beaches for meetings, prayer, conversation, or other gatherings shall show due respect to non-resident visitors, residents, and other beachgoers, thus allowing them to take full enjoyment of the beach. Operator shall not conduct business on the beach (per NBMC 10.08.030)
18. **Services to Facility's Clients or Residents.** Operator will use industry's best practices to ensure that the facility's clients or residents stay in recovery (including scheduled substance testing, random substance testing, and encouragement of 12-Step meetings or counseling). Operator has represented that the facility operates with an average client stay of six to twelve months. Operator shall use best efforts to maintain, at a minimum, average client stay of six to twelve months. Operator shall ensure that any client or resident removed from Operator's program or facility has the resources necessary to return home.
19. **Federal, State and Local Laws.** Operator shall comply with all federal, State, and local laws. The issuance of this reasonable accommodation shall not constitute a waiver of the requirements of any federal, State or local law, including the requirements of the California Building Code and Fire Code.
20. **Compliance with Conditions.** Operator shall comply with these conditions during the ____-month abatement period.

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